CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

United Kingdom balance of payments: preliminary figures for the fourth quarter and year 1985.

The Budget: 18 March 1986.

The economy: recent developments and prospects to mid-1987

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Release dates of economic statistics to be published in April 1986

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in April 1986. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
April			
Wed 2	UK official reserves (March)	PN	HMT
	Quarterly Analysis of Bank Advances and Acceptances(Mid-February)	PN	Bank of England
	Capital issues and redemptions (during the month of March)	PN	Bank of England
Fri 4	Finished steel consumption and stock changes (1st quarter-final)	British business	DTI
Tues 8	Credit business (February)	PN	DTI
	Retail sales (February-final)	PN	DTI
	Housing starts and completions (February)	PN	DOE
Wed 9	Provisional estimates of monetary aggregates (Mid-March)	PN	Bank of England
	Advance energy statistics (February)	PN	Dept. of Energy
	London and Scottish banks' monthly statement (March)	PN	CLSB
Thur 10	Financing of the Central Government Borrowing requirement (4th quarter)	Bulletin	Bank of England
	UK banking sector statistics (4th quarter)	Bulletin	Bank of England
	Money stock (4th quarter)	Bulletin	Bank of England
Fri 11	Provisional figures of vehicle production (March)	PN	DTI
	Building Societies' monthly figures (March)	PN	BSA
	Car and commercial vehicle production (February-final)	British business	DTI
	Usable steel production (March)	PN	BSC/BISPA
Sun 13	Dept. for National Savings' monthly progress report (March)	PN	Dept. for National Savings
Mon 14	Producer price index numbers (March)	PN	DTI
Wed 16	Public sector borrowing requirement (March)	PN	HMT/CSO
	Labour market statistics:	PN	DE
	Unemployment and unfilled vacancies (March-provisional);	PN	DE
	Average earnings indices (February-provisional), employment,	PN	DE
	hours, productivity and unit wage costs;	PN	DE
	industrial disputes	PN	DE
	(Estimates of productivity and unit wage costs for February will not be available until after the release of the index of output of the production industries press notice on 17 April)		
Thur 17	Index of output of the production industries (February)	PN	CSO
	London sterling certificates of deposit (March)	PN	Bank of England
	UK banks assets and liabilities and the money stock (Mid-March)	PN	Bank of England
Fri 18	Cyclical indicators for the UK economy (March)	PN	CSO
	Tax and price index (March)	PN	CSO
	Retail prices index (March)	PN	DE
Mon 21	Retail sales (March-provisional)	PN	DTI
Tues 22	CBI/FT survey of distributive trades (end-March)	PN	CBI
Wed 23	Construction - new orders (February)	PN	DOE
	Index of production and construction for Wales (4th quarter)	PN	Welsh Office
*Thur 24**	Institutional investment (4th quarter)	PN	Bank of England
	Preliminary estimate of consumers' expenditure (1st quarter-provisional)	PN	CSO
Fri 25	Sales and orders in the engineering industries (January)	British business	DTI
	Balance of payments current account and overseas trade figures (March)	PN	DTI/CSO
Tues 29	CBI Industrial Trends Survey (April)	PN	CBI
	Bricks and cement production and deliveries (1st quarter-provisional)	PN	DOE
Wed 30	New vehicle registrations (March)	PN	Dept. of Transport

PN = Press Notice

*Provisional

Note: The press notice for Overseas travel and tourism previously scheduled for 26 March will now be published on Wednesday 7 May.

CENTRAL STATISTICAL OFFICE

Economic Trends

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Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

The main section is based on information available to the CSO on the data printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
5. 'Billion' denotes one thousand millions.
6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
7. Symbols used.
   - .. not available
   - \- nil or less than half the final digit shown
   - \+ alongside a heading indicates a series for which measures of variability are given on page 71
   - † indicates that the data has been revised since last issue; the period marked is the earliest in the table to have been revised.

Changes in this issue

Pages 5 and 42, Producer price index, materials and fuel purchased by manufacturing industry - the unadjusted series has been replaced by a seasonally adjusted series.

CSO Databank

At the top of each column of figures in the tables the appropriate CSO Databank identifier consisting of a code of four letters is shown. This is to facilitate access to the data in computer readable form and make available longer runs of data than appear in many tables.

The CSO databank is a collection of macro-economic time-series on sale to the public. The service is run on CSO's behalf by CISI Wharton Computer Services, further details can be obtained from them at:
Ebury Gate, 23 Lower Belgrave Street, London SW1W 0NW, tel: 01-730-4544.

The Editor would welcome readers' suggestions for improvements to Economic Trends

Central Statistical Office, 26 March 1986

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Latest developments in the economy[1]

Data available at 27 March 1986

Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves rose by $250 million in February to $15,810 million. Accruals of borrowing under the exchange cover scheme amounted to $190 million; repayments of such borrowing amounted to $50 million. Capital repayments on assignments to HMG of other public sector debt taken out under the exchange cover scheme amounted to $2 million.

The average Exchange Rate Index for March was 0.5 per cent higher than in February.

Earnings

The whole economy index of average earnings of employees in Great Britain in January was 179.2 (January 1980=100), an increase of 0.6 per cent over December and 8.3 per cent higher than in January 1985. The underlying increase in average weekly earnings in the year to January was about 7¼ per cent, similar to the increase in the year to December. The actual increase in the year to January was higher than the estimated underlying increase because of the net effect of the following temporary factors:- industrial action in the coal industry which temporarily reduced average earnings in January 1985 inflated the actual annual increase; on the other hand, back pay in January 1986 was lower than in January 1985, so depressing the actual annual increase.

In production industries, the underlying increase in average weekly earnings in the year to January was about 8¾ per cent, similar to the increase in the year to December; in manufacturing industries the increase was also about 8¾ per cent, similar to the increase in the year to December.

Financial aggregates

During banking February (5 weeks to 19 February), M0 (average of weekly levels) fell by £90 million, or 0.6 per cent, whilst £M3 rose by £1,220 million, or 1.0 per cent. In the latest twelve months M0 has risen by 3.5 per cent and £M3 by 14.8 per cent. M2 (not seasonally adjusted) rose by £180 million, or 0.1 per cent and PSL2 rose by £3,350 million, or 1.5 per cent in banking February.

Amongst the counterparts to the change in £M3, the net effect of public sector transactions (the PSBR less debt sales to the non-bank private sector and external flows to the public sector) was contractionary by £150 million. The central government borrowing requirement was £680 million and the direct contribution of local authorities and public corporations to the public sector borrowing requirement (net of non-bank private sector purchases of their debt) was contractionary by £230 million. The non-bank private sector's net purchases of central government debt totalled £470 million.

Sterling lending to the private sector rose by £1,520 million. The sterling value of private sector foreign currency deposits rose by £450 million, comprising a rise of £310 million reflecting transactions and a rise of £140 million reflecting the estimated change in the sterling value of the existing stock.

Capital expenditure

The revised estimate of capital expenditure by the manufacturing, construction, distribution and financial industries in the fourth quarter of 1985 is £4,745 million, at 1980 prices, nearly 2 per cent higher than in the preceding quarter, and nearly 5 per cent higher than in the same quarter of the previous year. Expenditure in 1985 as a whole was nearly 8 per cent above that in 1984 and the highest level yet recorded.

The revised estimate of manufacturers' investment in the fourth quarter of 1985 (taking into account leasing of assets to manufacturers from the financial industries) is £1,697 million, nearly 1½ per cent higher than in the previous quarter and almost 1½ cent higher than in the corresponding quarter in 1984. The volume of investment in 1985 as a whole was nearly 6¼ cent higher than in the preceding year. On the same annual basis of comparison, expenditure on individual assets shows rises of over 11 per cent for new building work, of nearly 6 per cent for plant and machinery and of over 2½ per cent for vehicles.

Investment by construction, distribution and financial industries (excluding leasing to manufacturers) in the fourth quarter of 1985 is £3,048 million, nearly 2 per cent higher than the level in the preceding quarter, and almost 7 per cent higher than in the corresponding quarter of 1984. Expenditure in 1985 as a whole compared with the previous year rose by nearly 8½ per cent. On the same annual basis, expenditure on individual assets rose by over 15 per cent for vehicles, and by nearly 11½ per cent for plant and machinery. Expenditure on new building work remained at about the same level.

Stockbuilding

Revised figures show that the level of stocks held by the production industries, wholesalers and retailers rose by almost £295 million at 1980 prices in the fourth quarter of 1985. There were increases in stocks in the energy and water supply industries and in the retailing industry of around £260 million and £205 millon respectively. Manufacturers' and wholesalers' stocks fell by about £135 million and £35 million respectively.

Within manufacturing, stocks of materials and fuel and of work in progress were reduced by around £40 million and £80 million respectively. There was also a small fall of nearly £20 million in stocks of finished goods. The stock/output ratio fell from 91.4 at the end of September to 90.3 at the end of December as there was an increase in production and a fall in stock levels in the fourth quarter of 1985.

1. All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Prices (not seasonally adjusted)

The retail prices index for February was 381.1 (January 1974=100), an increase of 0.4 per cent on January and an increase of 5.1 per cent on February 1985. The tax and price index (TPI) for February was 193.7 (January 1978=100), 3.9 per cent higher than in February 1985.

The price index for materials and fuel purchased by manufacturing industry fell by 1.2 per cent between January and February, reflecting to a roughly equal extent lower costs of imported materials, a seasonal fall in costs of industrial electricity and a reduction in the scheduled prices of petroleum products. The index fell by 9.5 per cent in the twelve months ended February after having fallen by 7.0 per cent in the twelve months ended January.

The price index for home sales of manufactured products rose by 0.4 per cent between January and February. This increase was spread across most industries. The increase in the index measured over a twelve month period fell to 5.0 per cent in February from 5.2 per cent in January.

Gross Domestic Product

Provisional estimates of gross domestic product (GDP) at constant factor cost for the fourth quarter of 1985 suggest that the level of economic activity was ¼ per cent higher than in the third quarter. The fourth quarter estimate was 2¼ to 3 per cent higher than in the corresponding quarter of 1984. If allowance is made for the direct effects of the coal dispute on the earlier period, the increase over the same period is estimated at nearly 1¼ per cent. Over the year as a whole, GDP in 1985 was nearly 3¼ per cent higher than in 1984; allowing for the coal dispute, the increase between the two years is estimated at around 2¼ per cent. In the second half of 1985, the level of economic activity was nearly 13 per cent higher than at its trough in 1981.

Output

The output measure of gross domestic product, (GDP(O)), rose by about ¾ per cent between the third and fourth quarters of 1985. Growth was fairly uniform across the service industries, averaging about 1 per cent. Output of the production industries was little changed but construction output rose 2 per cent. After adjusting for the effects of the miners' strike, GDP(O) increased by 2 per cent between the fourth quarters of 1984 and 1985.

In the three months to January, output of the production industries is provisionally estimated to have been broadly unchanged from the level of the previous three months; manufacturing output was up ¼ per cent. It is estimated that, in both the two latest three month periods, the after-effects of the coal dispute had a negligible or nil effect on the level of industrial production. The effect on the figures for manufacturing has been small.

Consumers' expenditure

The provisional estimate of the volume of retail sales in February was 117.1 (1980=100), similar to the levels in the past three months. In the three months December to February, the level of sales was 1 per cent higher than in the previous three months and over 3 per cent higher than in the corresponding period a year earlier.

At just over ¼ per cent, the rise in consumers' expenditure at constant 1980 prices between the third and fourth quarters of 1985 took spending to a level nearly 3¼ per cent higher than in the fourth quarter of 1984. Between 1984 and 1985 consumers' expenditure rose nearly 3 per cent.

Balance of payments

The current account for February is estimated to have been in surplus by £262 million compared with a surplus of £1,140 million in January. In the three months ended February, the current account showed a surplus of £1.9 billion compared with a surplus of £0.9 billion in the previous three months. There was a deficit on visible trade of £0.2 billion in the latest three months compared with a deficit of £0.3 billion in the previous three months. The surplus on invisibles is projected at £2.1 billion.

There was a deficit on visible trade in February of £338 million compared with a surplus of £140 million in January. Exports in February were 1 per cent lower than in January, but 5½ per cent higher if oil and the erratic items are excluded. Imports were 6½ per cent higher in February than in January; excluding oil and the erratic items they increased by 7 per cent.

Between the three months ended November and the latest three months, total export volume increased by 1 per cent to a level similar to that of a year earlier. Excluding oil and the erratic items however, export volume fell marginally in the latest three months and there are now stronger signs that the underlying level of non-oil export volume has fallen a little in recent months.

By volume, imports fell by 1¼ per cent between the three months ended November and the latest three months, to a level 1¼ per cent lower than a year earlier. Excluding oil and the erratic items, import volume was 1¼ per cent lower than in the three months ended November and 1¼ per cent higher than a year ago. The underlying level of non-oil import volume has shown little change in recent months.

Companies

The liquidity of large industrial and commercial companies, as estimated by the Department of Trade and Industry survey, fell during the fourth quarter of 1985, but has shown little overall change since the beginning of the year. For all survey companies the liquidity ratio decreased from 95 at the end of the third quarter to 90 at the end of the fourth quarter. By industrial sector it rose from 62 to 65 for manufacturing companies and followed a continuous decline from the third quarter of 1983 until the third quarter of 1985. For oil companies it fell sharply from 227 to 181 during the fourth quarter, and for other non-manufacturing companies began the fourth quarter at 126, but had fallen to 113 by the end of the quarter, the same level as at the end of the second quarter.

Selected monthly indicators (1)

		Seasonally adjusted						Unadjusted				Seasonally adjusted	
		1980=100	1980=100	Thousands		January 1980=100	1980=100	January 1974=100	January 1978=100	1975=100	$ billion	£ million	
		Volume of retail sales GB(2,3,4)+	Total production industries	Unemployment (5,6,7)+	Vacancies (8,12,13)+	Average earnings -whole economy: GB(9)	Producer price of materials and fuel(10)	Retail price index (all items)	Tax and price index	Sterling exchange rate index	UK official reserves(11)	Balance of payments: Current balance	Money stock £M3
		DKCD	DVGY	BCJD	DPCB	DNAB	DZDQ	CBAB	BSAA	AJHT	FDAB	AIMO	AGBO
1984	D	113.9	104.0	3 106.4	153.5	163.5	141.2	358.5	183.9	74.0	15.7	-19	108 484
1985	J	113.4	106.1	3 123.9	151.7	165.5	142.6	359.8	184.7	71.5	15.5	188	109 592
	F	112.8	105.8†	3 144.0	153.1	166.5	144.4	362.7	186.4	71.3	15.4	-140	109 919
	M	114.0	107.6	3 148.0	156.1	168.3	144.2	366.1	188.4	73.4	13.5	-440	110 877
	A	113.5	108.8	3 176.2	161.0	170.6	140.1	373.9	190.2	78.0	14.0	436	114 119
	M	115.3	109.0	3 177.0	160.7	169.7	138.6	375.6	191.2	78.8	14.0	714	114 661
	J	115.9	107.7	3 168.9	163.4	170.2	137.4	376.4	191.7	79.9	14.3	383	117 358
	J	115.9	107.8	3 175.8	163.0	172.2	135.6	375.7	191.3	83.3	14.3	369	116 485
	A	117.5	108.4	3 182.9	162.9	173.1	135.4	376.7	191.8	81.7	14.3	402	118 662
	S	115.6	109.6	3 179.1	167.3	176.4	135.1	376.5	191.7	81.4	14.2	481	120 809
	O	115.0	108.8	3 173.3	172.6	174.3	133.6	377.1	191.4	80.4	16.3	407	121 773
	N	117.4	110.3	3 166.6	170.0	175.9	133.1	378.4	192.1	80.0	16.0	186	124 182
	D	119.3	107.7	3 184.3	162.1	178.1	132.2	378.9	192.4	79.1	15.5	548	124 926†
1986	J	117.0†	109.4	3 205.3†	159.7	179.2†	131.9	379.7	192.9	76.6	15.6	1 140	125 020
	F	117.1		3 210.1	165.0		130.3	381.1†	193.7	74.2†	15.8†	262†	126 234
		Percentage change, latest three months on previous three months											
1984	D	1.2	1.1	1.0	1.1	2.6	3.0	1.2	..	-3.8	..	..	3.1
1985	J	1.2	1.5	0.8	0.3	1.6	2.5	0.9	..	-4.4	..	..	3.5
	F	1.2	1.4	1.0	-1.8	1.8	2.3	0.8	..	-5.2	..	..	2.7
	M	0.7	2.5	1.3	-1.0	2.1	2.2	1.3	..	-4.0	..	..	2.5
	A	0.4	2.3	1.5	2.3	2.9	1.0	2.4	..	0.7	..	..	2.7
	M	0.7	2.6	1.4	5.4	2.6	-1.3	3.2	..	6.2	..	..	3.6
	J	1.4	1.8	1.1	3.5	2.0	-3.6	3.4	..	9.5	..	..	4.7
	J	2.0	0.7	0.6	2.4	1.3	-4.2	2.3	..	8.7	..	..	4.0
	A	1.9	-0.4	0.3	1.6	1.4	-3.6	1.2	..	6.4	..	..	3.7
	S	1.1	-0.3	0.2	3.1	2.2	-2.5	0.3	..	4.1	..	..	2.8
	O	0.2	0.5	0.2	3.2	2.3	-1.9	0.2	..	0.6	..	..	3.5
	N	-0.4	1.6	0.1	4.2	2.2	-1.6	0.3	..	-1.3	..	..	4.0
	D	0.3	0.6	-0.1	2.3	1.3	-1.8	0.5	..	-1.3	..	..	4.0
1986	J	1.1	0.2	0.2	2.2	1.8	-1.7	0.6	..	-0.3	..	..	3.4
	F	1.0		0.8	-0.5		-1.9	0.7	..	-0.5	..	..	2.3
		Percentage change, latest three months on corresponding period of previous year											
1984	D	3.4	-0.5	5.0	3.8	7.1	9.2	4.8	3.6	-9.7	..	..	9.6
1985	J	4.0	-0.2	5.0	4.1	6.7	8.5	4.8	3.6	-10.8	..	..	10.1
	F	4.3	0.2	4.9	4.6	6.9	8.7	5.0	3.8	-12.1	..	..	10.0
	M	4.7	1.6	4.8	5.0	7.7	8.9	5.5	4.4	-11.8	..	..	10.0
	A	4.0	3.1	4.9	7.2	8.5	7.7	6.2	5.2	-8.4	..	..	10.9
	M	4.4	5.1	5.0	7.4	9.1	5.7	6.7	6.0	-4.4	..	..	11.5
	J	4.1	5.5	5.0	8.1	9.2	3.3	7.0	6.4	-1.1	..	..	12.5
	J	4.6	5.3	4.6	6.6	8.9	1.6	7.0	6.4	1.8	..	..	12.5
	A	5.3	4.7	4.1	7.2	8.9	0.5	6.7	6.1	3.7	..	..	13.1
	S	4.5	5.2	3.6	6.4	9.3	-0.7	6.3	5.7	5.2	..	..	13.5
	O	3.9	5.1	3.1	9.8	8.3	-2.6	5.8	4.8	5.0	..	..	12.7
	N	3.4	6.0	2.5	10.4	8.2	-4.1	5.6	5.4	5.5	..	..	13.0
	D	3.5	5.2	2.4	9.3	7.8	-5.7	5.5	4.2	6.0	..	..	13.0
1986	J	3.7	4.2	2.4	7.1	8.6	-6.8	5.6	4.3	6.2	..	..	12.8
	F	3.3		2.4	6.0		-6.9	5.4	4.3	5.7	..	..	12.7

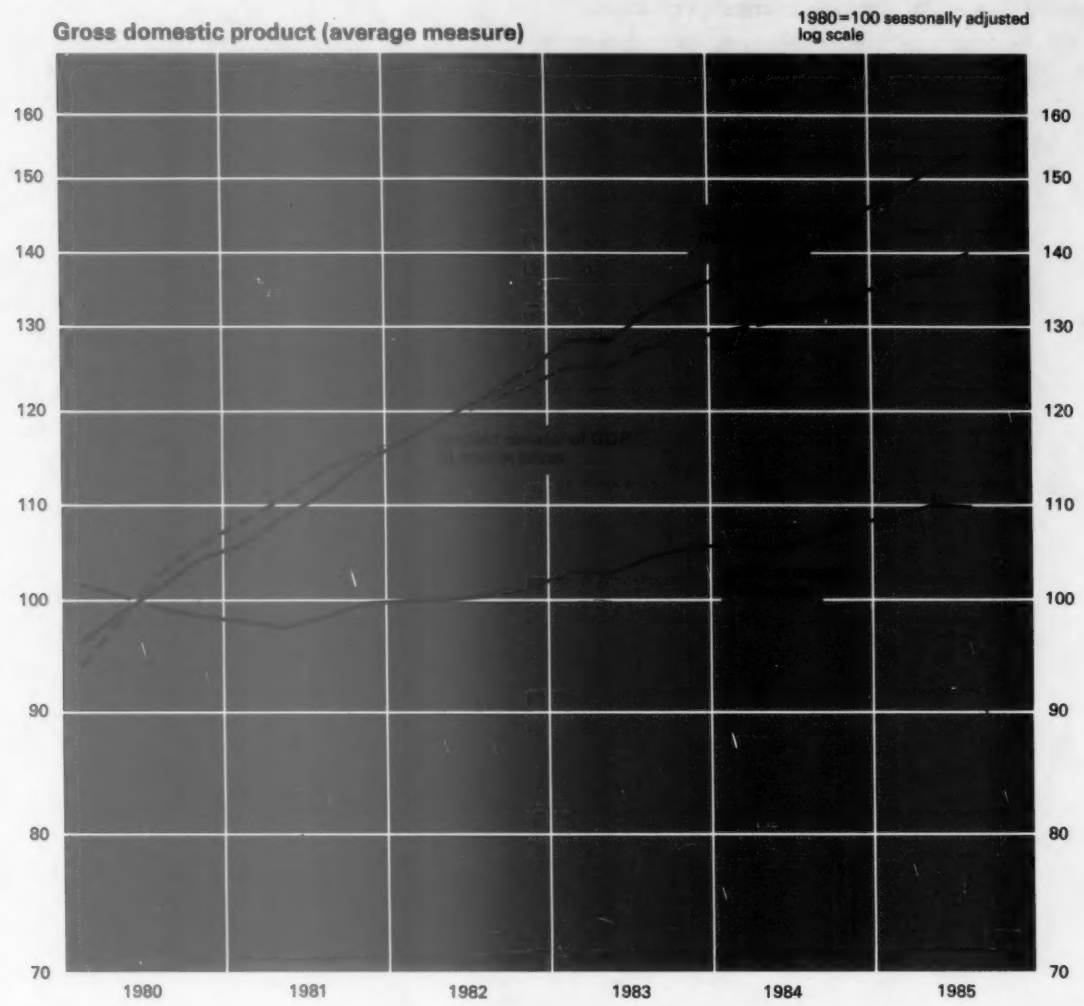
1 Data given may not be wholly consistent with that shown elsewhere in the publication.
2 This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
3 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
4 The retail sales index has been rebased using detailed information for 1982.
5 Unemployed excluding school leavers.
6 See footnote 4 on page 38.
7 See footnote 4 on page 36.
8 Vacancies notified to job centres. Figures were distorted in April and May 1985 due to a change in administrative arrangements leading to an artificial increase in April. Figures for May should be minimally affected.
9 The seasonal adjustment factors currently used are based on data up to December 1982.
10 Purchased by manufacturing industry. (Revised definition)
11 See footnote 2 on page 50.
12 See footnote 8 on page 38. 13 See footnote 9 on page 36.

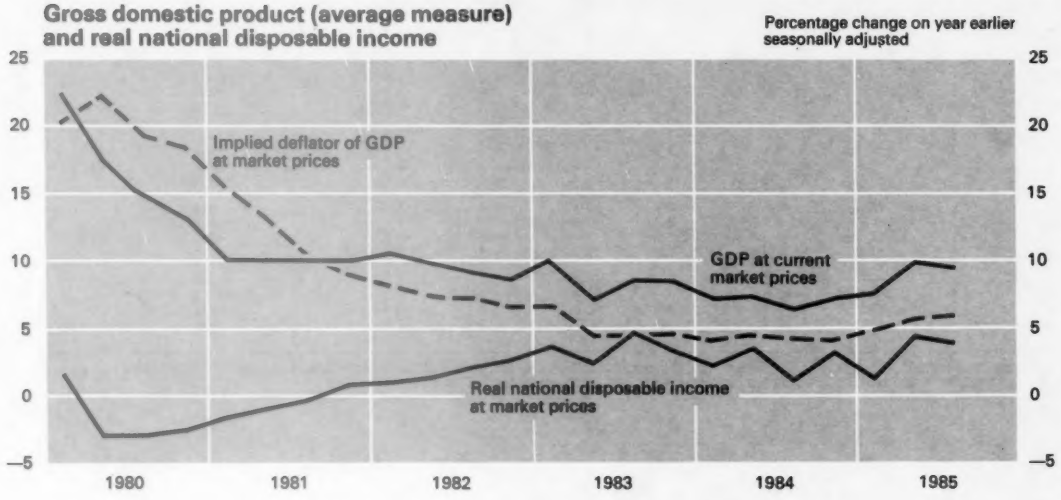
National accounts aggregates (1)

Seasonally adjusted

		Gross domestic product									National disposable income at 1980 market prices	Implied gross domestic product deflator 1980=100	
		At market prices			At factor cost								
		At current prices		At 1980 prices	At current prices		At 1980 prices					At factor cost	At market prices
		£ billion	1980=100	1980=100	£ billion(2)		1980=100				1980=100		
					Based on:		Based on:					Based on:	
		average estimate	average estimate	average estimate	expenditure data	income data	average estimate+	expenditure data+	income data(3)+	output data+	average estimate	expenditure data(4)	expenditure data
		CAOA	DJDM	FNAC	FNAD	FNAE	DJDB	DJDF	DJDC	DIAX	DJDR	DJCI	DJDU
1976		124.5	54.1	84.1	113.6	110.4	84.4	86.1	83.4	83.8	92.4	59.3	57.5
1977		145.2	63.1	86.4	128.9	128.8	86.9	87.2	87.0	86.5	93.9	66.6	65.5
1978		167.5	72.8	100.0	148.7	148.0	99.8	100.0	99.5	99.8	98.6	74.6	72.9
1979		196.9	85.6	102.6	171.2	171.4	102.4	102.2	102.2	102.9	101.8	84.1	83.4
1980		230.1	100.0	100.0	199.2	199.4	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		253.1	110.0	98.5	217.7†	217.1	98.6†	98.9†	98.5†	98.3	99.3	110.5†	111.8
1982		276.8†	120.3	100.3	235.4	237.7	100.4	100.1	101.0	100.1	101.0†	118.0	120.0
1983		300.5	130.6	103.5†	258.1	259.6†	103.7	103.8	104.3	103.1	104.7	124.8	126.1
1984		320.8	139.4†	106.4	274.1	279.2	106.4	105.5	107.4	106.4†	107.2	130.4	131.1†
1985		351.4	152.7	109.8	300.4	305.1	109.9	109.0	110.6	110.0	110.4	138.3	139.1
		CAOB	DJCL	FNAO	FNAP	FNAQ	DJDD	DJDE	DIAR	DSAE	DJDN	DJCM	DJDT
1980	3	58.4	101.5	99.0	51.1	50.3	99.3	100.3	98.4	99.1	99.3	102.4	102.5
	4	59.8	104.0	98.5	52.3	51.5	98.2	99.3	97.5	97.7	99.3	105.8	105.6
1981	1	60.6	105.4	97.6†	53.6†	51.8	97.9	99.7†	96.5†	97.6	99.6	107.8	107.9
	2	62.7†	109.0†	98.0	53.6	53.2†	97.8†	98.2	97.4	97.8	99.0	109.5†	111.1
	3	64.1	111.5	98.5	54.4	55.2	98.5	97.7	99.1	98.8	98.8†	111.8	113.1
	4	65.7	114.3	99.5	56.1	56.9	100.0	99.8	101.1	99.0	100.1	112.9	114.9
1982	1	66.9	116.3	99.6	56.8	57.0	99.8	100.0	100.2	99.2	100.5	114.0	116.7
	2	68.7	119.5	100.1	58.5	59.4	100.3	99.7	101.2	100.0	100.3	117.8	119.3
	3	69.9	121.6	100.2	58.9	60.2	100.3	99.2	101.3	100.5	100.8	119.2	121.3
	4	71.3	124.1	101.1	61.2	61.1	101.2	101.5	101.3	100.8	102.5	121.1	122.7
1983	1	73.5	127.8	102.7	63.3	63.1	102.9	103.6	103.2	101.8	104.4	122.7	124.4†
	2	73.6	128.0	102.6	63.0	64.1	102.6	102.3	104.0	102.1	102.6	123.5	124.7
	3	75.9	132.0	104.1	65.3	65.6	104.3	104.3	104.7	103.8	106.0	125.7	126.8
	4	77.5	134.7	104.9	66.5	66.8	105.0	104.8	105.2	104.9	106.0	127.3	128.4
1984	1	78.7	136.9	105.8	67.7	68.2	105.8	105.6	106.3	105.8†	106.9	128.7	129.4
	2	78.9	137.1	105.5	67.7	68.5	105.4	104.6	105.9	105.6	106.3	129.8	130.1
	3	80.6	140.2	106.7	68.4	70.5	106.8	105.3	108.4	106.7	107.1	130.5	131.4
	4	82.6	143.6	107.7	70.3	72.0	107.7	106.5	109.0	107.6	106.9	132.5	133.3
1985	1	84.8	147.4	108.6	73.0	73.9	108.6	107.9	109.1	108.8	108.2	135.8	135.8
	2	87.0	151.2	110.0	74.3	76.0	110.3	109.1	111.6	110.0	110.5	136.7	137.5
	3	88.5	154.0	110.0	75.5	76.9	110.1	109.0	110.9	110.2	111.2	139.1	140.0
	4	91.1	158.4	110.8	77.6	78.3	110.7	110.0	110.9	111.1	112.1	141.6	143.0
		Percentage change, quarter on corresponding quarter of previous year											
1980	3	+15.0	+14.8	-3.6	+16.1	+14.6	-3.8	-3.1	-4.6	-4.0	-3.0	+19.8	+19.2
	4	+13.0	+13.2	-4.4	+14.7	+12.7	-4.8	-3.4	-5.3	-5.8	-2.6	+16.9	+16.4
1981	1	+10.0	+10.1	-4.4	+13.6	+8.4	-3.9	-1.3	-5.7	-4.9	-1.9	+14.9	+15.2
	2	+10.4	+10.3	-2.4	+10.3	+6.8	-2.8	-1.3	-4.3	-2.9	-0.9	+11.7	+13.0
	3	+9.8	+9.9	-0.5	+6.5	+9.7	-0.8	-2.5	+0.7	-0.3	-0.5	+9.2	+10.3
	4	+9.9	+9.9	+1.0	+7.3	+10.5	+1.8	+0.5	+3.7	+1.3	+0.8	+6.7	+8.8
1982	1	+10.4	+10.3	+2.1	+6.0	+10.0	+1.9	+0.3	+3.8	+1.6	+0.9	+5.8	+8.2
	2	+9.6	+9.6	+2.1	+9.1	+11.7	+2.6	+1.5	+3.9	+2.3	+1.3	+7.6	+7.4
	3	+9.0	+9.1	+1.7	+8.3	+9.1	+1.8	+1.5	+2.2	+1.7	+2.0	+6.6	+7.3
	4	+8.5	+8.6	+1.6	+9.1	+7.4	+1.2	+1.7	+0.2	+1.8	+2.4	+7.3	+6.8
1983	1	+9.9	+9.9	+3.1	+11.4	+10.7	+3.1	+3.6	+3.0	+2.6	+3.9	+7.6	+6.6
	2	+7.1	+7.1	+2.5	+7.7	+7.9	+2.5	+2.7	+2.8	+2.1	+2.3	+4.8	+4.5
	3	+8.6	+8.6	+3.9	+10.9	+9.0	+4.0	+5.2	+3.4	+3.3	+5.2	+5.5	+4.5
	4	+8.7	+8.5	+3.8	+8.7	+9.3	+3.8	+3.3	+3.9	+4.1	+3.4	+5.1	+4.6
1984	1	+7.1	+7.1	+3.0	+7.0	+8.1	+2.8	+1.9	+3.0	+3.7	+2.4	+4.9	+4.0
	2	+7.2	+7.1	+2.8	+7.5	+6.9	+2.5	+2.3	+1.8	+3.4	+3.6	+5.1	+4.3
	3	+6.2	+6.2	+2.5	+4.7	+7.5	+2.4	+0.9	+3.5	+2.8	+1.0	+3.8	+3.6
	4	+6.6	+6.6	+2.7	+5.7	+7.8	+2.6	+1.6	+3.6	+2.6	+2.7	+4.1	+3.8
1985	1	+7.8	+7.7	+2.6	+7.8	+8.4	+2.6	+2.2	+2.8	+3.0	+1.2	+5.5	+4.9
	2	+10.3	+10.3	+4.3	+9.7	+10.9	+4.6	+4.3	+5.4	+4.2	+4.0	+5.3	+5.7
	3	+9.8	+9.8	+3.1	+10.4	+9.1	+3.1	+3.5	+2.3	+3.3	+3.8	+8.6	+8.5
	4	+10.3	+10.3	+2.9	+10.4	+8.8	+2.8	+3.3	+1.7	+3.3	+2.9	+8.9	+7.3

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 Figures in £ million are given on page 14.
3 Income data deflated by the implied GDP deflator at factor cost.
4 Also known as the index of total home costs.


Gross domestic product (average measure)
1980=100 seasonally adjusted
log scale
160
150
140
130
120
110
100
90
80
70
1980
1981
1982
1983
1984
1985


Gross domestic product (average measure)
and real national disposable income
Percentage change on year earlier
seasonally adjusted
25
20
15
10
5
0
—5
Implied deflator of GDP
at market prices
GDP at current
market prices
Real national disposable income
at market prices
1980
1981
1982
1983
1984
1985

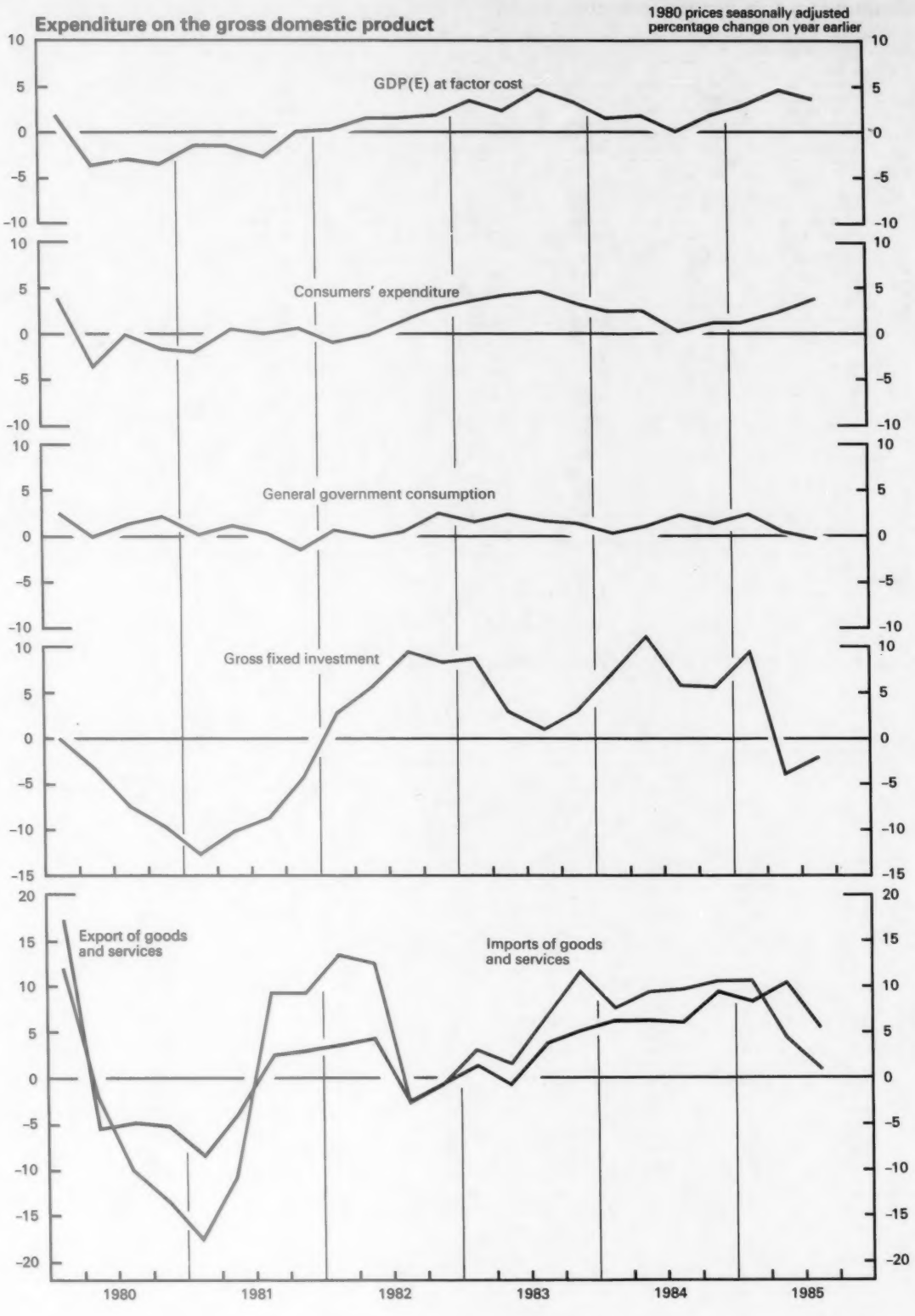
Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1980 prices

		Gross domestic product at factor cost-expenditure based(1)	Final expenditure on goods and services at market prices									Adjustment to factor cost
			Total(1)	Consumers' expenditure (2)	General government consumption			Gross fixed investment	Stock building	Exports of goods and services	Imports of goods and sevices	
					Total(1)	Central government	Local authorities					
		DJCW	DJDA	CCBH	DJCZ	DJDK	DJDL	DFDW	DHBK	DJCV	DJCY	DJCU
1978		199 259	284 510	131 621	47 220	28 676	18 544	42 726	2 208	60 735	54 203	31 048
1979		203 546	295 327	137 552	48 257	29 170	19 087	43 855	2 534	63 129	59 891	31 890
1980		199 246	287 729	136 995	48 906	29 940	18 966	41 588	-2 875	63 115	57 718	30 765
1981		196 987†	282 928†	136 511	48 943	30 144	18 799	37 914†	-2 484	62 042	55 918	30 021†
1982		199 414	288 720	137 592†	49 360	30 392†	18 968†	40 099	-1 121	62 780	58 744	30 562
1983		206 742	300 402	142 916	50 240†	30 910	19 330	42 178	873	64 401†	62 123	31 537
1984		210 210	310 925	145 551	50 919	31 215	19 704	45 530	-142	69 062	68 015†	32 700
1985		217 182	320 878	149 656	51 180	31 662	19 518	45 932	876†	73 239	70 089	33 627
		DJDH	DIAU	CAAB	DIAT	DIAV	DIAW	DECU	DGBA	DJDG	DJDJ	DIAS
1978	4	50 187	71 401	33 088	11 902	7 168	4 734	10 495	584	15 332	13 483	7 731
1979	1	49 351	71 196	33 648	11 946	7 244	4 702	10 684	862	14 058	13 853	7 992
	2	51 471	75 236	35 218	12 113	7 334	4 779	10 918	292	16 695	15 352	8 413
	3	51 529	74 454	34 140	12 087	7 305	4 782	11 143	936	16 148	15 271	7 654
	4	51 195	74 441	34 548	12 111	7 287	4 824	11 110	444	16 228	15 415	7 831
1980	1	50 302	73 814	34 967	12 230	7 413	4 817	10 606	-486	16 497	15 534	7 978
	2	49 548	72 193	34 013	12 101	7 379	4 722	10 572	-328	15 835	15 045	7 600
	3	49 937	71 180	34 097	12 226	7 519	4 707	10 334	-865	15 388	13 754	7 489
	4	49 459	70 542	33 918	12 349	7 629	4 720	10 076	-1 196	15 395	13 385	7 698
1981	1	49 673†	69 909†	34 293	12 239	7 554	4 685	9 314†	-1 073	15 136	12 858	7 378†
	2	48 929	70 015	34 133	12 239	7 556	4 683	9 483	-1 096	15 256	13 449	7 637
	3	48 687	71 289	34 036	12 267	7 519	4 748	9 489	-292	15 789	15 002	7 600
	4	49 698	71 713	34 049	12 198	7 515	4 683	9 628	-23	15 861	14 609	7 406
1982	1	49 815	71 963	33 967†	12 328	7 630	4 698	9 486	501	15 681	14 561	7 587
	2	49 648	72 357	34 063	12 231†	7 533†	4 698	9 909	237	15 917	15 110	7 599
	3	49 394	71 624	34 501	12 319	7 572	4 747†	10 276	-893	15 419	14 582	7 648
	4	50 557	72 776	35 061	12 482	7 657	4 825	10 426	-966	15 773	14 491	7 728
1983	1	51 817	74 390	35 175	12 528	7 712	4 816	10 507	296†	15 883†	14 961†	7 812
	2	50 964	74 097	35 436	12 521	7 673	4 848	10 289	12	15 841	15 326	7 807
	3	51 945	75 479	36 079	12 533	7 722	4 811	10 480	256	16 133	15 625	7 909
	4	52 216	76 436	36 226	12 658	7 803	4 855	10 902	109	16 544	16 211	8 009
1984	1	52 591	76 840	36 177	12 566	7 739	4 827	11 255	-24	16 862	16 120	8 129
	2	52 111	77 085	36 403	12 678	7 739	4 937	11 432	-265	16 840	16 830	8 144
	3	52 436	77 635	36 228	12 848	7 832	5 016	11 388	-142	17 314	17 066	8 133
	4	53 072	79 365	36 743	12 829	7 905	4 924	11 455	289	18 046	17 999	8 294
1985	1	53 727	79 687	36 627	12 804	7 978	4 826	12 275	-224	18 195	17 633	8 327
	2	54 368	80 026	37 327	12 705	7 829	4 876	10 949	441	18 605	17 354	8 304
	3	54 292	79 986	37 719	12 824	7 898	4 926	11 345	52	18 042	17 264	8 430
	4	54 795	81 179	37 983	12 847	7 957	4 890	11 363	609	18 397	17 818	8 566
		Percentage change, quarter on corresponding period of previous year										
1980	3	-3.1	-4.4	-0.1	+1.2	+2.9	-1.6	-7.3	..	-4.7	-9.9	-2.2
	4	-3.4	-5.2	-1.8	+2.0	+4.7	-2.2	-9.3	..	-5.1	-13.2	-1.7
1981	1	-1.3	-5.3	-1.9	+0.1	+1.9	-2.7	-12.2	..	-8.3	-17.2	-7.5
	2	-1.3	-3.0	+0.4	+1.1	+2.4	-0.8	-10.3	..	-3.7	-10.6	+0.5
	3	-2.5	+0.2	-0.2	+0.3	-	+0.9	-8.2	..	+2.6	+9.1	+1.5
	4	+0.5	+1.7	+0.4	-1.2	-1.5	-0.8	-4.4	..	+3.0	+9.1	-3.8
1982	1	+0.3	+2.9	-1.0	+0.7	+1.0	+0.3	+1.8	..	+3.6	+13.2	+2.8
	2	+1.5	+3.3	-0.2	-0.1	-0.3	+0.3	+4.5	..	+4.3	+12.4	-0.5
	3	+1.5	+0.5	+1.4	+0.4	+0.7	-	+8.3	..	-2.3	-2.8	+0.6
	4	+1.7	+1.5	+3.0	+2.3	+1.9	+3.0	+8.3	..	-0.6	-0.8	+4.3
1983	1	+3.6	+3.4	+3.6	+1.6	+1.1	+2.5	+10.8	..	+1.3	+2.7	+3.0
	2	+2.7	+2.4	+4.0	+2.4	+1.9	+3.2	+3.8	..	-0.5	+1.4	+2.7
	3	+5.2	+5.4	+4.6	+1.7	+2.0	+1.3	+2.0	..	+4.6	+7.2	+3.4
	4	+3.3	+5.0	+3.3	+1.4	+1.9	+0.6	+4.6	..	+4.9	+11.9	+3.6
1984	1	+1.9	+3.3	+2.8	+0.3	+0.4	+0.2	+7.1	..	+6.2	+7.7	+4.1
	2	+2.3	+4.0	+2.7	+1.2	+0.9	+1.8	+11.1	..	+6.3	+9.8	+4.3
	3	+0.9	+2.9	+0.4	+2.5	+1.4	+4.3	+8.7	..	+7.3	+9.2	+2.8
	4	+1.6	+3.8	+1.4	+1.4	+1.3	+1.4	+5.1	..	+9.1	+11.0	+3.6
1985	1	+2.2	+3.7	+1.2	+1.9	+3.1	-	+9.1	..	+7.9	+9.4	+2.4
	2	+4.3	+3.8	+2.5	+0.2	+1.2	-1.2	-4.2	..	+10.5	+3.1	+2.0
	3	+3.5	+3.0	+4.1	-0.2	+0.6	-1.8	-0.4	..	+4.2	+1.2	+3.7
	4	+3.2	+2.3	+3.4	+0.1	+0.7	-0.7	-0.8	..	+1.9	-1.0	+3.3

1 For years up to and including 1977, totals differ from the sum of the components because of the method used to rebase on 1980 prices.
2 Figures for consumers' expenditure are more up to date than those in the remainder of this table.


Expenditure on the gross domestic product
1980 prices seasonally adjusted
percentage change on year earlier
GDP(E) at factor cost
Consumers' expenditure
General government consumption
Gross fixed investment
Export of goods and services
Imports of goods and services
1980
1981
1982
1983
1984
1985

Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1980 prices		
	Personal income before tax		Total personal disposable income(2)	Consumers' expenditure(3)	Personal saving ratio(4)	Real personal disposable income(5)		Real consumers' expenditure(3)
	Total(1)	of which: Wages, salaries and forces pay				£ million+	1980 = 100	£ million
	AIIA	AIJA	AIIJ	AIIK	AIIN	CFAG	CFAE	CCBH
1981	221 637	127 699	175 538	152 245	13.3	157 397	97.6	136 511
1982	242 148	136 677	191 094	166 575	12.8	157 849	97.9	137 598
1983	261 152	146 721	205 854	181 931	11.6	161 600	100.3	142 820
1984	279 729	156 054	220 829	193 825	12.3	165 457	102.6	145 074
	AIIQ	AIJB	AIIW	AIIX	AIIZ	CFAH	CFAF	CAAB
1981 4	57 453	32 888	45 498	39 426	13.3	39 285	97.5	34 049
1982 1	59 048	33 455	46 606	40 077	14.0	39 499	98.0	33 970
2	60 345	34 016	47 589	41 051	13.7	39 482	98.0	34 054
3	60 516	34 348	47 629	42 078	11.7	39 045	96.9	34 501
4	62 239	34 858	49 268	43 369	12.0	39 823	98.8	35 061
1983 1	63 105	35 829	49 552	44 112	11.0	39 484	98.0	35 148
2	64 743	36 353	51 060	44 902	12.1	40 294	100.0	35 419
3	65 902	36 933	51 948	46 108	11.2	40 633	100.8	36 064
4	67 402	37 606	53 274	46 809	12.1	41 189	102.2	36 189
1984 1	68 144	38 078	53 657	47 372	11.7	40 851	101.4	36 062
2	68 993	38 500	54 350	48 306	11.1	40 829	101.3	36 284
3	69 845	39 089	55 077	48 305	12.3	41 168	102.2	36 102
4	72 947	40 387	57 745	49 642	14.0	42 609	105.7	36 626
1985 1	72 899	41 090	57 586	50 639	12.1	41 651	103.4	36 826
2	74 207	41 689	58 502	51 658	11.7	42 159	104.6	37 227
3	75 697	42 722	59 375	52 776	11.1	42 251	104.8	37 555

1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 This table is revised and brought up to date in the January, April, July and October issues. The table below may show more up to date figures for consumers' expenditure.
4 Personal savings as a percentage of personal disposable income.
5 Personal income revalued by the implied consumers' expenditure deflator (1980 = 100).

Real consumers' expenditure – component categories

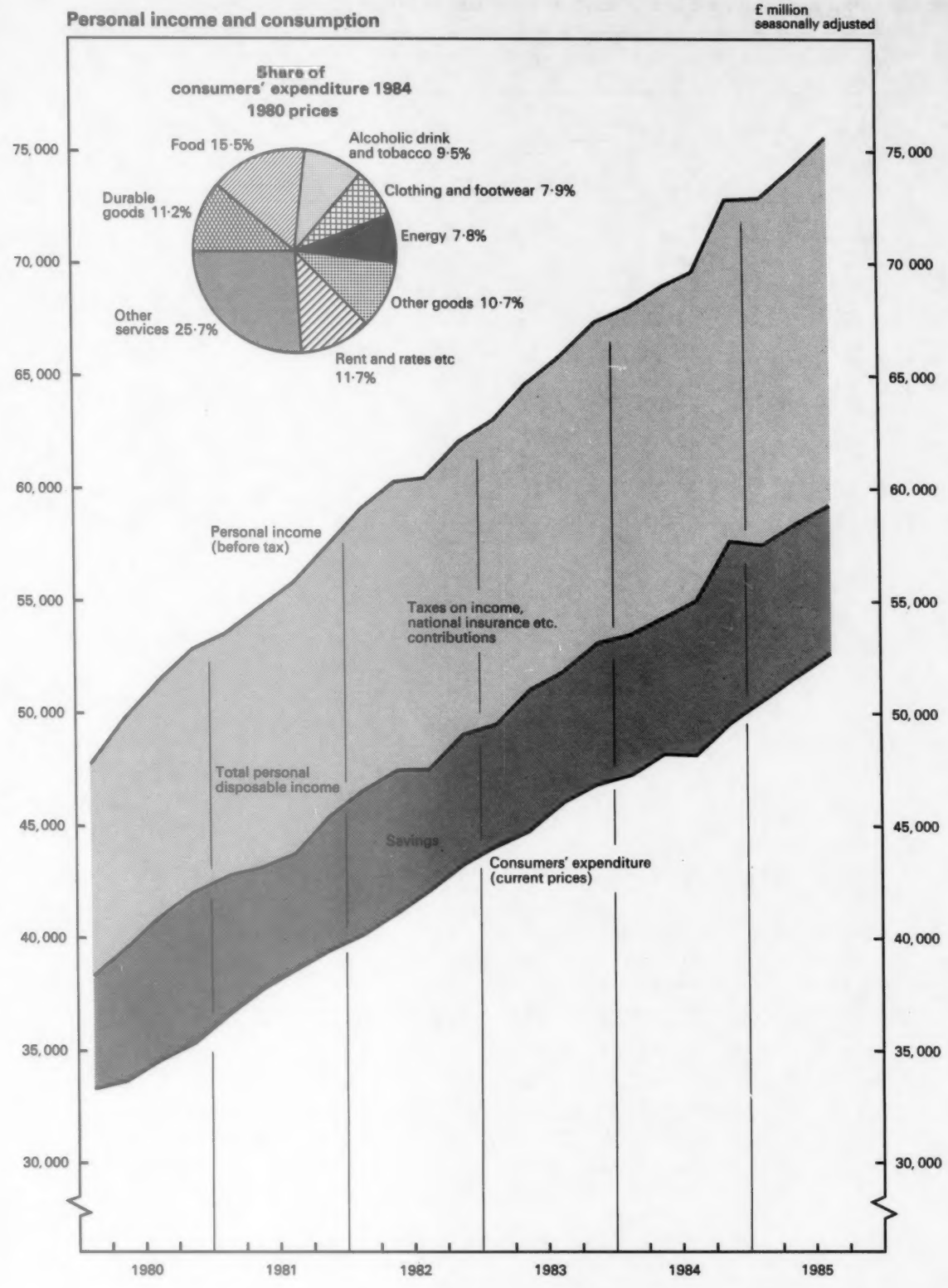
Seasonally adjusted

£ million, 1980 prices

		Other goods						Other services	
	Total	Durable goods: total	Food	Alcoholic drink and tobacco	Clothing and footwear	Energy products	Other goods	Rent and rates etc.	Other services(1)
	CCBH	CCBI	CCBM	FCCA	FCCB	CCBS	CCCK	CCCL	CCBV
1982	137 592†	14 475	22 587	13 498	10 141	11 038	14 823	16 510†	34 720
1983	142 916	16 629†	23 019	13 813	10 823	11 129	14 915	16 737	35 851†
1984	145 551	16 800	22 739	13 927	11 416	11 239	15 479†	16 958	36 983
1985	149 656	17 383	22 919†	14 058†	12 187†	11 703†	15 975	17 198	38 233
	CAAB	CCBW	CCCA	FCCD	FCCE	CCCG	CCCM	CCCN	CCCJ
1982 1	33 967†	3 346	5 597	3 391	2 525	2 731	3 653	4 102†	8 622
2	34 063	3 427	5 694	3 381	2 496	2 727	3 620	4 122	8 596
3	34 501	3 702	5 618	3 332	2 535	2 788	3 670	4 136	8 720
4	35 061	4 000	5 678	3 394	2 585	2 792	3 680	4 150	8 782
1983 1	35 175	4 091†	5 696	3 414	2 627	2 734	3 699†	4 163	8 751†
2	35 436	4 000	5 699	3 403	2 698	2 847	3 697	4 179	8 913
3	36 079	4 274	5 796	3 491	2 728	2 783	3 723	4 192	9 092
4	36 226	4 264	5 828	3 505	2 770	2 765	3 796	4 203	9 095
1984 1	36 177	4 176	5 743	3 492	2 748	2 863	3 750	4 213	9 192
2	36 403	4 236	5 731	3 458	2 832	2 800	3 871	4 235	9 240
3	36 228	4 089	5 603	3 480	2 899	2 783	3 887	4 253	9 234
4	36 743	4 299	5 662	3 497	2 937	2 793	3 971	4 267	9 317
1985 1	36 627	4 118	5 665†	3 482†	3 003†	2 922†	3 907	4 281	9 249
2	37 327	4 288	5 680	3 504	3 060	2 892	3 990	4 293	9 600
3	37 719	4 531	5 820	3 484	3 064	2 962	3 995	4 308	9 555
4	37 983	4 446	5 754	3 588	3 040	2 927	4 083	4 316	9 829

1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.

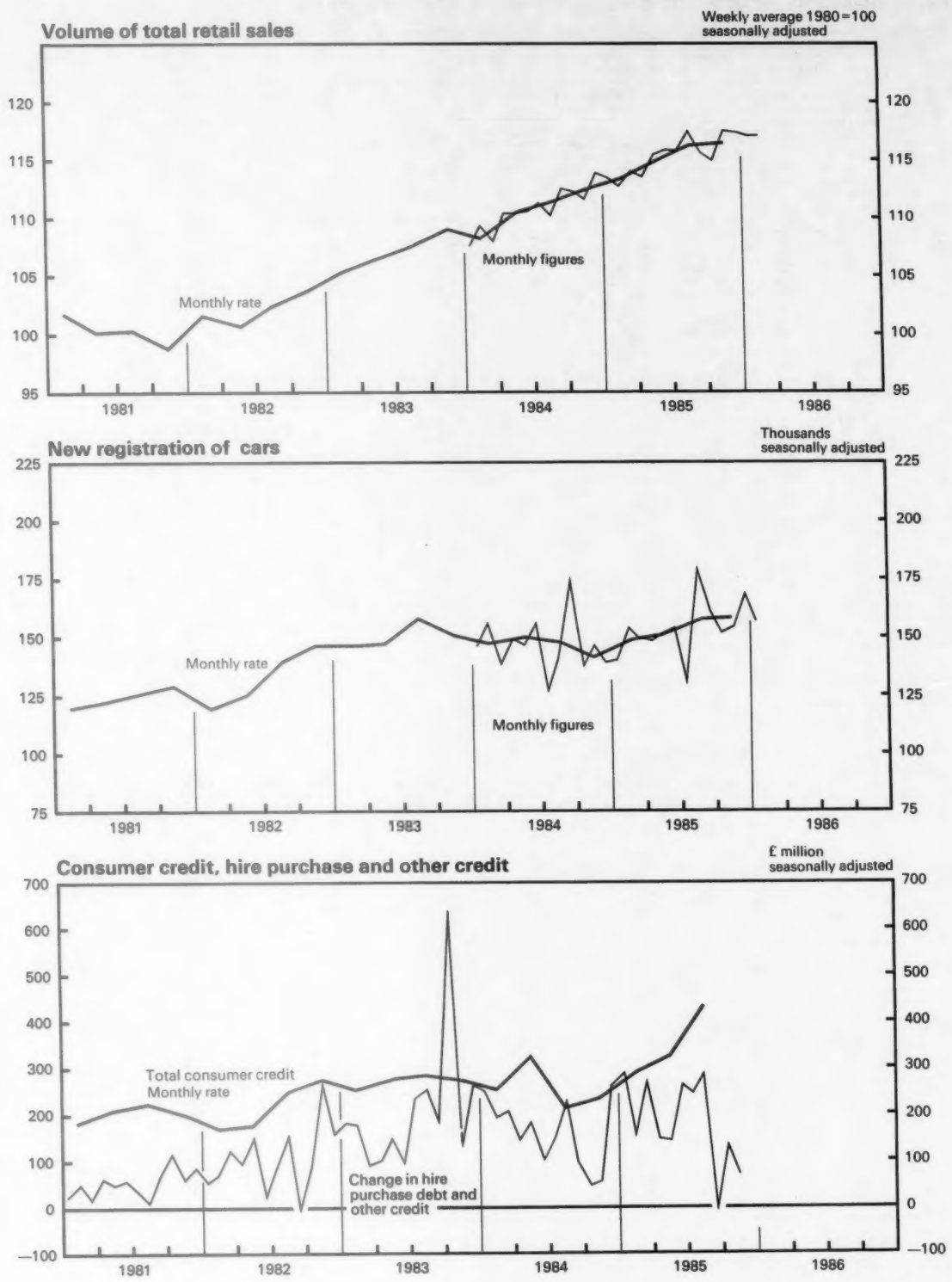
Personal income and consumption



Retail sales, new registrations of cars and consumer credit (Great Britain)

		Seasonally adjusted										
		Weekly average 1980=100							Thousands(1)	£ million		
		Value of retail Sales(2,3)	Volume of retail sales (2,3)							Consumer credit	Hire purchase and other credit business(4)	
		Total(5)	Total(5)	Food retailers(5)	Mixed retail businesses(5)	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars+(6)	Change in total outstanding	New credit extended	Change in amounts outstanding(7)
Sales in 1980 £ million		58 377	58 377	22 859	10 930	5 413	9 146	10 029				
		FAAA	FAAB	FAAC	FAAD	FAAE	FAAF	FAAG	DKBY	AIKL	AGTJ	AGTB
1981		108.2	100.2	100.7	100.4	97	102	99	125	2 473	7 861	+640
1982		117.1	102.2	101.6	103.9	100	106	99	132	2 620	9 087	+1 270
1983		127.6	107.1	105.8	109.4	105	115	100	151	3 284	10 524	+2 500
1984		137.5	110.7	108.4	113.6	114	120	102	147	3 093	11 509	+1 918
1985		149.5	115.3	112.6	118.3	122	127	103	154†			
		FAAL	FAAM	FAAN	FAAO	FAAP	FAAQ	FAAR		AIKM	AGTU	AGTM
1982	4	120.8	103.9	102.8	106.9	102	110	99	148†	830	2 448	+508
1983	1	123.5	105.4	104.2	107.1	104	114	99	146	768	2 516	+450
	2	125.9	106.6	105.1	108.6	107	115	100	147	833	2 549	+343
	3	129.0	107.7	106.4	110.3	109	115	100	158	858	2 679	+674
	4	131.9	109.0	107.5	111.7	110	118	101	151	825	2 780	+1 033
1984	1	132.3	108.3	107.2	110.6	110	117	100	147	765	2 874	+649
	2	136.7	110.4	108.2	113.2	114	119	102	150	973	2 876	+426
	3	139.2	111.3	108.6	114.4	116	121	102	148	849	2 813	+475
	4	141.9	112.6	109.5	116.2	118	123	103	141	705	2 946	+368
1985	1	144.7	113.4	111.0	117.7	119	124	102	148	872	3 146	+713
	2	148.5	115.0	112.2	119.3	123	125	103	151	980†	3 064	+531
	3	151.6	116.3	113.6	120.3	122	128	104	157	1 184	3 380	+530
	4	153.3	116.6	113.7	119.9	123	129	105	158			
		FABA	DKCD	FABC	FABD	FABE	FABF	FABG				
1984	F	133.5	109.3	107.8	112.3	111	118	101	156†	..	994	+194
	M	132.4	108.0	107.1	110.0	110	116	100	138	..	921	+206
	A	135.9	110.3	107.7	113.4	114	119	102	149	..	927	+145
	M	136.5	110.3	108.7	112.2	112	120	102	146	..	1 011	+181
	J	137.4	110.6	108.2	113.8	114	120	102	156	..	938	+100
	J	138.6	111.1	108.6	114.7	115	121	102	127	..	991	+148
	A	137.8	110.1	108.2	112.3	112	119	103	142	..	933	+229
	S	140.8	112.5	109.0	116.0	121	123	103	175	..	889	+98
	O	140.9	112.2	109.1	115.8	119	122	102	137	..	1 006	+47
	N	140.5	111.6	109.3	114.4	116	121	102	147	..	968	+58
	D	143.7	113.9	110.0	117.8	119	125	105	139	..	972	+263
1985	J	144.0	113.4	110.8	117.1	119	124	103	140	..	1 168	+289
	F	143.7	112.8	110.6	117.8	117	123	101	154	..	1 013	+156
	M	146.1	114.0	111.4	118.0	121	125	102	149	..	965	+268
	A	146.2	113.5	110.7	117.8	121	124	102	148	..	1 061	+137
	M	148.7	115.3	112.7	119.9	123	124	104	151	..	1 042	+133
	J	150.1	115.9	113.0	120.0	124	127	104	154	..	961	+261
	J	150.3	115.9	113.6	118.8	122	128	104	130	..	1 129	+243
	A	153.2	117.5	113.7	125.5	127	128	103	179	..	1 126	+288
	S	151.4	115.6	113.4	117.4	119	129	104	161	..	1 125	-1
	O	151.0	115.0	113.1	117.4	118	127	104	152	..	1 147	+137
	N	154.6	117.4	114.5	120.2	128	130	104	154	..	1 053	+89
	D	154.3	117.3	113.5	121.7	124	130	106	169	..		
1986	J	154.4	117.0†	115.6†	122.2†	120†	128†	103†	157	..		
	F		117.1							..		

1 Monthly averages.
2 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.
3 The retail sales index has been rebased using detailed information for 1982.
4 Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. clothing retailers, household goods retailers, mixed retail businesses (other than co-operative societies) and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108-109 of Economic Trends No.311, September 1979).
5 These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
6 Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly effect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.
7 There is a break between 1978 and 1979. Prior to 1979 figures include interest payments due over the whole period of the loans; from 1979 onwards they are excluded.


Volume of total retail sales
Weekly average 1980=100
seasonally adjusted
120
115
110
105
100
95
Monthly rate
Monthly figures
1981
1982
1983
1984
1985
1986
New registration of cars
Thousands
seasonally adjusted
225
200
175
150
125
100
75
Monthly rate
Monthly figures
1981
1982
1983
1984
1985
1986
Consumer credit, hire purchase and other credit
£ million
seasonally adjusted
700
600
500
400
300
200
100
0
−100
Total consumer credit
Monthly rate
Change in hire
purchase debt and
other credit
1981
1982
1983
1984
1985
1986

Gross domestic product and shares of income and expenditure

		Seasonally adjusted														
		£ million			Per cent											
		Gross domestic product at current factor cost		Total final expenditure (current market prices)	Percentage share of total final expenditure							Percentage share of gross domestic product (income based)				
							Gross fixed investment						Gross trading profits		Income from self-employment(1)	
		Expenditure based	Income based		Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Income from employment	Companies(1)	Other (1,2)		Other income(3)
		DJAE	DJAL	DJAK	FBBD	FBBE	FBBF	FBBG	FBBH	FBBI	FBBJ	FBBK	FBBL	FBBM	FBBN
1980		199 246	199 384	287 729	47.6	17.0	2.0	2.3	10.2	22.0	68.9	11.8	2.9	8.4	8.0
1981		217 654†	217 085†	314 363†	48.5	17.6	1.5	2.1	9.6	21.6	68.3	11.4	3.4	8.6	8.3
1982		235 386	237 731	344 117	48.4	17.5†	1.3	2.1	9.9	21.2	66.5	12.8	3.7	8.8	8.2
1983		258 052	259 580	378 042	48.1†	17.3	1.5	2.0	9.4	21.2†	65.5	14.1†	3.6	9.0†	7.8
1984		274 103	278 154	410 879	47.2	17.0	1.6	1.8	10.1†	22.5	64.6	15.6	2.7	9.5	7.5
1985		300 374	305 078	447 552	46.9	16.5	1.5†	1.2†	10.6	23.0	64.1†	16.7	2.4†	9.5	7.4†
		DJBA	DJBE	DIAB										FBBO	
1981	4	56 118†	56 912†	82 366†	47.9	17.3	1.3	2.1	9.6	21.9	67.1	12.7	3.5	16.7	
1982	1	56 777	56 949	83 620	47.9	17.5	1.2	2.1	9.4†	21.3	68.1	11.1	3.6	17.2†	
	2	58 476	59 433	85 721	47.9	17.5	1.2	2.0	9.8	21.3	66.3	13.2	3.8	16.8	
	3	58 900	60 213	86 158	48.8	17.7	1.2†	2.1	10.2	21.0	65.9	13.2	4.0	16.9	
	4	61 233	61 136	88 618	48.9†	17.5†	1.4	2.1	10.1	21.3	65.9	13.7	3.5	16.9	
1983	1	63 327	63 128	92 447	47.7	17.7	1.6	2.1	9.4	21.1†	65.6†	13.9	3.7	16.8	
	2	62 957	64 055	92 399	48.6	17.5	1.4	2.0	9.5	21.2	65.9	13.6†	3.7	16.8	
	3	65 284	65 613	95 352	48.4	17.1	1.5	2.1	9.3	21.2	65.3	14.5	3.4	16.8	
	4	66 484	66 786	97 844	47.9	17.1	1.6	2.0	9.6	21.5	65.3	14.3	3.6	16.9	
1984	1	67 673	68 152	99 616	47.6	16.9	1.6	2.0	9.9	22.1	64.7	15.1	3.2	17.0	
	2	67 653	68 513	100 851	48.0	17.0	1.5	1.8	10.2	22.0	65.0	14.9	3.0	17.1	
	3	68 443	70 498	103 097	46.9	17.2	1.6	1.8	10.1	22.5	64.0	16.0	2.9	17.0	
	4	70 334	71 991	107 315	46.3	16.8	1.6	1.6	10.2	23.3	64.7	16.4	1.9	17.0	
1985	1	72 945	73 830	110 535	45.9	16.6	1.4	1.5	11.2	23.7	64.3	17.4	1.5	16.9	
	2	74 303	76 017	111 126	46.7	16.5	1.4	1.2	10.0	23.8	63.7	17.0	2.6†	16.8	
	3	75 511	76 919	111 370	47.7	16.6	1.5	1.2	10.6	22.3	64.2	16.1	2.8	16.8	
	4	77 615	78 310	114 521	47.5	16.5	1.5	1.1†	10.7	22.2	64.1	16.2	2.8	17.0	

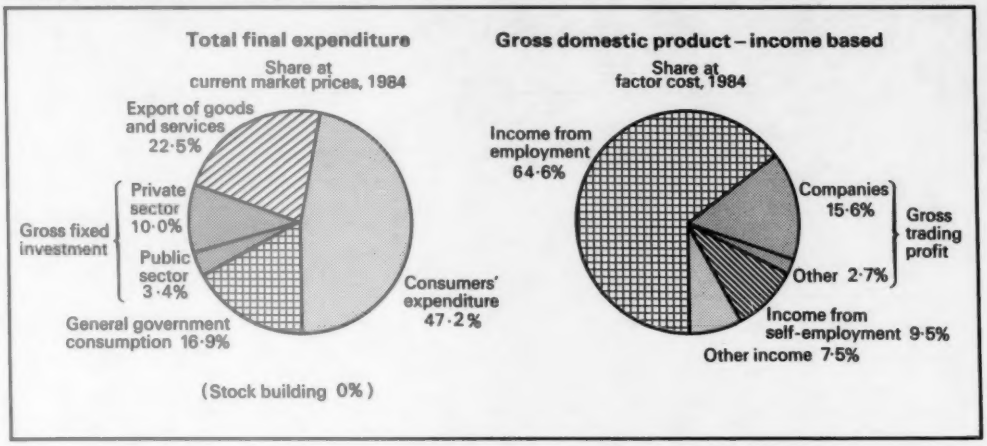
1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

Income, product and spending per capita

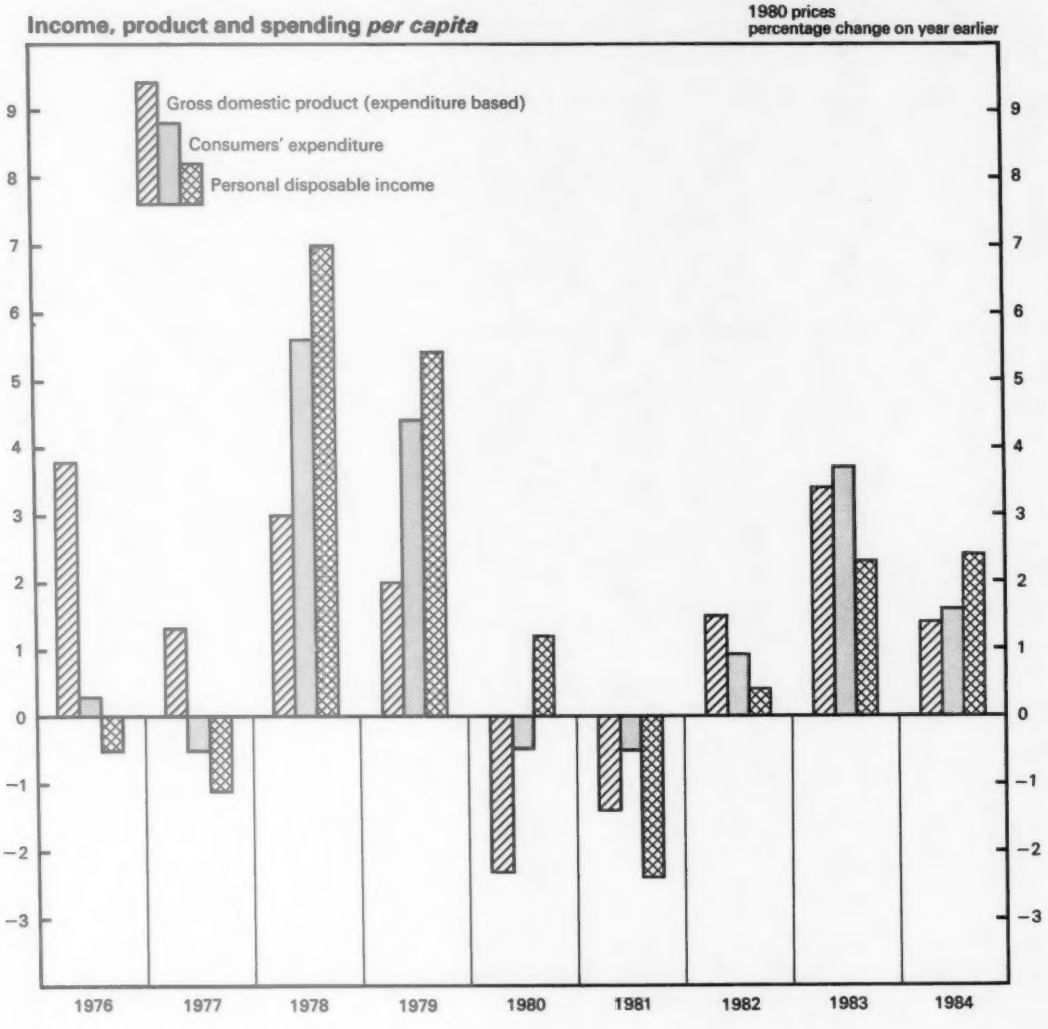
		Seasonally adjusted					
		£, current prices				£, 1980 prices		
		Gross national product(1)	Gross domestic product(1,2)	Consumers' expenditure	Personal disposable income	Gross domestic product(1,2)	Consumers' expenditure	Personal disposable income
		FBCA	FBCB	FBCC	FBCD	FBCE	FBCF	FBCH
1980		3 534	3 538	2 433	2 862	3 538	2 433	2 862
1981		3 877†	3 861†	2 700	3 114	3 494†	2 421	2 792
1982		4 197	4 178	2 957	3 392	3 540	2 442	2 802
1983		4 621	4 577	3 229†	3 651	3 667	2 535†	2 886
1984		4 921	4 861	3 439	3 917	3 728	2 582	2 935
1985		5 364	5 324	3 723		3 849	2 652	
								CAIU
1981	4	989†	995†	699	807	882†	604	697
1982	1	1 006	1 008	711	827	884	603	701
	2	1 044	1 038	729	845	882	605	701
	3	1 051	1 045	747	846	877	612	693
	4	1 096	1 087	770	874	897	622	707
1983	1	1 135	1 123	783	879	916	624†	700
	2	1 121	1 117	797†	906	904	629	715
	3	1 175	1 158	818	921	921	640	721
	4	1 190	1 179	831	945	926	642	730
1984	1	1 210	1 200	842	952	933	642	725
	2	1 215	1 200	858	964	924	646	724
	3	1 230	1 214	858	977	930	642	730
	4	1 266	1 247	881	1 024	941	652	756
1985	1	1 305	1 293	899	1 021	952	649	738
	2	1 326	1 317	920	1 037	964	662	747
	3	1 351	1 338	941	1 052	962	668	749
	4	1 382	1 376	963		971	673	

1 At factor cost.
2 Based on expenditure data.

Shares of income and expenditure



Income, product and spending *per capita*



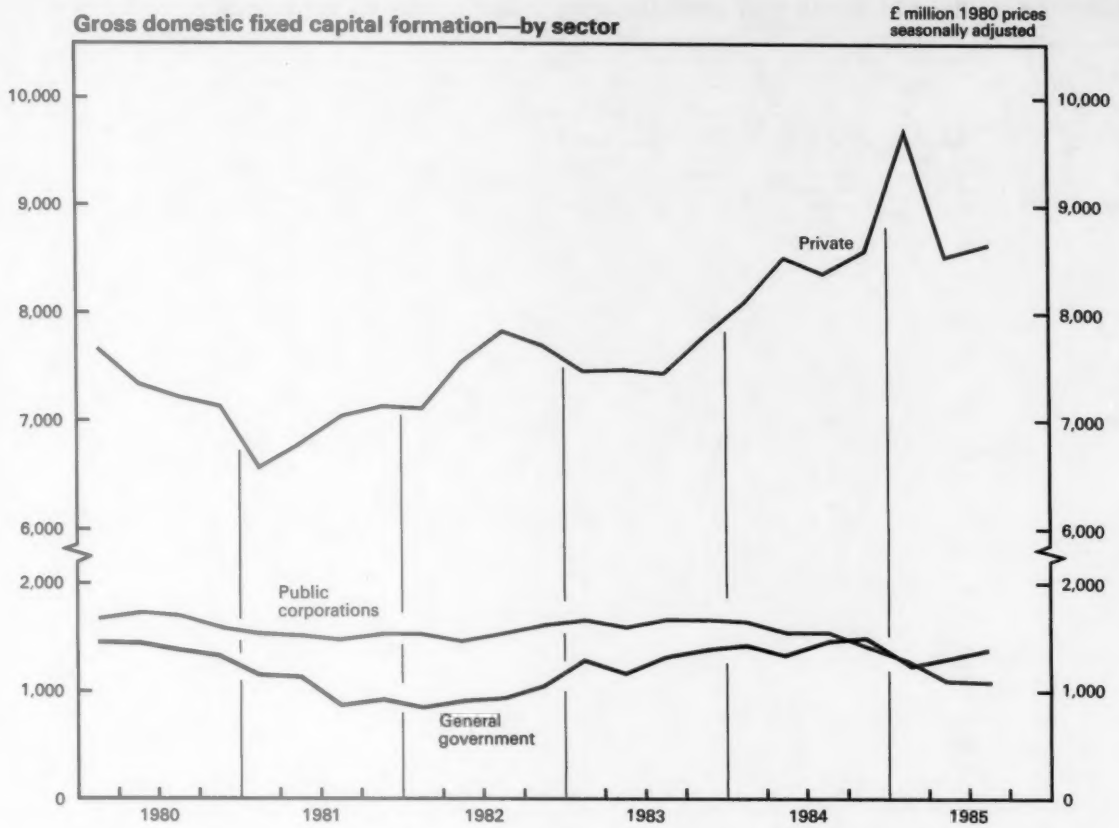
Gross domestic fixed capital formation by sector and by type of asset

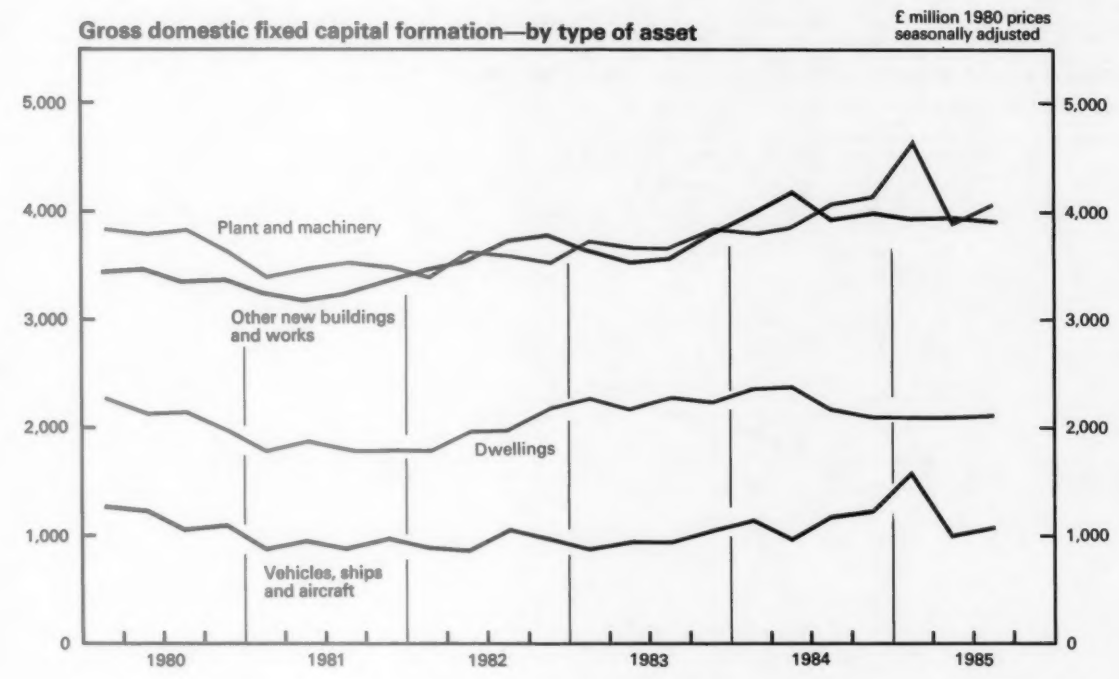
Seasonally adjusted

£ million, 1980 prices(1)

		Total	Sector(2)			Type of asset					
						Dwellings			Other new building and works(3)	Vehicles, ships and aircraft	Plant and machinery
			Private sector	General government	Public corporations	Total	of which: Private	of which: Public			
		DFDM	DFDQ	DFDS	DFCZ	DFDV	DFDP	DFDR	DFCU	DFEH	DFCY
1977		41 441	26 510	7 555	7 285	8 976	5 560	3 382	14 777	4 722	13 001
1978		42 726	29 201	6 718	6 807	9 048	5 934	3 114	14 563	5 157	13 928
1979		43 855	30 597	6 482	6 796	9 197	6 311	2 886	14 188	5 426	15 044
1980		41 588	29 395	5 554	6 639	8 456	5 883	2 573	13 566	4 564	15 002
1981		37 914†	27 788†	4 083†	6 043†	7 222	5 497	1 725	13 219†	3 617†	13 856†
1982		40 099	30 225	3 745	6 129	7 892†	6 085	1 827†	14 412	3 693	14 102
1983		42 178	30 481	5 141	6 576	8 931	6 585	2 346	14 708	3 702	14 837
1984		45 530	33 760	5 662	6 108	8 932	6 715	2 217	16 383	4 433	15 782
1985		45 932	36 015	5 511	4 406	8 578	6 604†	1 974	15 908	4 675	16 771
		DECU	DFEB	DFED	DFDA	DFEG	DFEA	DFEC	DFCV	DEBP	DEBO
1980	4	10 076	7 175	1 320	1 581	1 972	1 399	573	3 372	1 097	3 635
1981	1	9 314†	6 637†	1 157†	1 520	1 784	1 365	419	3 260†	871†	3 399†
	2	9 483	6 853	1 123	1 507†	1 858	1 400	458	3 232	932	3 461
	3	9 489	7 111	883	1 495	1 789	1 354	435	3 315	871	3 514
	4	9 628	7 187	920	1 521	1 791	1 378	413	3 412	943	3 482
1982	1	9 486	7 104	884	1 518	1 771†	1 341	430†	3 436	882	3 397
	2	9 909	7 544	894	1 471	1 956	1 533	423	3 518	847	3 588
	3	10 278	7 810	934	1 534	1 988	1 546	442	3 712	1 027	3 551
	4	10 426	7 767	1 053	1 606	2 177	1 645	532	3 746	937	3 566
1983	1	10 507	7 535	1 313	1 659	2 287	1 636	651	3 648	853	3 719
	2	10 289	7 553	1 144	1 592	2 161	1 644	517	3 576	914	3 638
	3	10 480	7 515	1 298	1 667	2 264	1 688	576	3 640	915	3 661
	4	10 902	7 858	1 386	1 658	2 219	1 617	602	3 844	1 020	3 819
1984	1	11 255	8 138	1 470	1 647	2 329	1 716	613	3 998	1 120	3 808
	2	11 432	8 584	1 321	1 527	2 365	1 837	528	4 282	949	3 836
	3	11 388	8 416	1 439	1 533	2 148	1 592	556	4 031	1 162	4 047
	4	11 455	8 622	1 432	1 401	2 090	1 570	520	4 072	1 202	4 091
1985	1	12 275	9 650	1 337	1 288	2 110	1 560†	550	3 934	1 566	4 665
	2	10 949	8 560	1 309	1 080	2 131	1 675	456	3 939	1 017	3 862
	3	11 345	8 844	1 419	1 082	2 164	1 661	503	4 018	1 091	4 072
	4	11 363	8 961	1 446	956	2 173	1 708	465	4 017	1 001	4 172
		Percentage change, quarter on corresponding quarter of previous year									
1980	4	-9.3	-7.9	-17.4	-8.1	-16.7	-15.0	-20.7	-3.9	-11.8	-8.9
1981	1	-12.2	-12.1	-17.5	-8.1	-20.2	-12.2	-38.5	-4.3	-28.0	-9.5
	2	-10.3	-7.6	-22.1	-11.9	-12.0	-2.8	-31.7	-6.5	-23.0	-8.8
	3	-8.2	-1.9	-36.4	-11.7	-16.3	-9.1	-32.9	-0.5	-16.8	-8.0
	4	-4.4	+0.2	-30.3	-3.8	-9.2	-1.5	-27.9	+1.2	-14.0	-4.2
1982	1	+1.8	+7.0	-25.3	-0.1	-0.7	-1.8	+2.6	+5.4	+1.3	-0.1
	2	+4.5	+10.1	-20.4	-2.4	+5.3	+9.5	-7.6	+8.9	-9.1	+3.7
	3	+8.3	+9.8	+5.8	+2.6	+11.1	+14.2	+1.6	+12.0	+17.9	+1.1
	4	+8.3	+8.1	+14.5	+5.6	+21.6	+19.4	+28.8	+9.8	-0.6	+2.4
1983	1	+10.8	+6.1	+52.0	+9.3	+29.1	+22.0	+51.4	+6.2	-3.3	+9.5
	2	+3.8	+0.1	+28.0	+8.2	+10.5	+7.2	+22.2	+1.6	+7.9	+1.4
	3	+2.0	-3.8	+39.0	+8.7	+13.9	+9.2	+30.3	-1.9	-10.9	+3.1
	4	+4.6	+1.2	+31.6	+3.2	+1.9	-1.7	+13.2	+2.6	+8.9	+7.1
1984	1	+7.1	+8.0	+12.0	-0.7	+1.8	+4.9	-5.8	+9.6	+31.3	+2.4
	2	+11.1	+13.7	+15.5	-4.1	+9.4	+11.7	+2.1	+19.7	+3.8	+5.4
	3	+8.7	+12.0	+10.9	-8.0	-5.1	-5.7	-3.5	+10.7	+27.0	+10.5
	4	+5.1	+9.7	+3.3	-15.5	-5.8	-2.9	-13.6	+5.9	+17.8	+7.1
1985	1	+9.1	+18.6	-9.0	-21.6	-9.4	-9.1	-10.3	-1.6	+39.8	+22.5
	2	-4.2	-0.3	-0.9	-29.3	-9.9	-8.8	-13.6	-8.0	+7.2	+0.7
	3	-0.4	+5.1	-1.4	-29.4	+0.7	+4.3	-9.5	-0.3	-6.1	+0.6
	4	-0.8	+3.9	+1.0	-31.8	+4.0	+8.8	-10.6	-1.4	-16.7	+2.0

1 For the years before 1978, totals may not equal the sum of their components, because of the method used in rebasing to 1980 prices.
2 Including purchases less sales of land and existing buildings.
3 Including transfer costs of land and buildings.


Gross domestic fixed capital formation—by sector
£ million 1980 prices
seasonally adjusted
10,000
9,000
8,000
7,000
6,000
2,000
1,000
0
Private
Public
corporations
General
government
1980
1981
1982
1983
1984
1985


Gross domestic fixed capital formation—by type of asset
£ million 1980 prices
seasonally adjusted
5,000
4,000
3,000
2,000
1,000
0
Plant and machinery
Other new buildings
and works
Dwellings
Vehicles, ships
and aircraft
1980
1981
1982
1983
1984
1985

Indicators of fixed investment by manufacturing industry (revised definition)

	Gross fixed investment by manufacturing industry (excluding leased assets)							New orders received by contractors for private industrial work(GB)
		Plant and machinery			New building and works			
	Total*	Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1980 prices, seasonally adjusted	£ million, 1980 prices, seasonally adjusted	Percentage change on year earlier	Balance(1)	£ million, 1980 prices, seasonally adjusted	Percentage change on year earlier	Balance(1)	£ million, 1980 prices, seasonally adjusted
	DFDN	FBAA	FBAE	FBAD	FBAB	FBAF	FBAG	FBAC
1976	6 470	4 869	-3	..	1 053	-18	..	1 790
1977	6 774	4 992	+3	..	1 138	+8	..	2 144
1978	7 220	5 319	+7	..	1 277	+12	..	2 241
1979	7 496	5 554	+4	..	1 305	+2	..	2 241
1980	6 479	4 958	-11	..	1 053	-19	..	1 803
1981	4 885	3 719	-25	..	768	-27	..	1 611
1982	4 704	3 646	-2	..	657	-14	..	1 364
1983	4 779	3 771	+3	..	585	-11	..	1 602
1984	5 538	4 312	+14	..	796	+36	..	2 227
1985	5 655†	4 389†	+2†	..	868†	+9†	..	2 030†
	DECV	FBAJ	FBAK		FBAL	FBAM		FBAO
1980 3	1 603	1 225	-11	-43	268	-20	-47	423
4	1 425	1 090	-24	-46	240	-20	-49	420
1981 1	1 299	984	-27	-38	228	-12	-46	346
2	1 212	924	-28	-30	198	-31	-40	379
3	1 179	918	-25	-23	167	-38	-35	483
4	1 175	894	-18	-13	175	-27	-33	403
1982 1	1 177	902	-8	-5	176	-23	-25	356
2	1 169	907	-2	-2	160	-19	-25	335
3	1 177	912	-1	-11	162	-3	-26	353
4	1 182	925	+3	-20	159	-9	-33	321
1983 1	1 138	907	+1	-5	138	-22	-26	422
2	1 162	917	+1	6	143	-11	-15	376
3	1 193	930	+2	18	155	-4	-5	438
4	1 285	1 017	+10	12	149	-6	-8	365
1984 1	1 375	1 064	+17	20	187	+36	-5	543
2	1 352	1 048	+14	21	196	+37	-3	543
3	1 362	1 069	+15	14	196	+26	-5	526
4	1 448	1 132	+11	18	217	+46	-5	615
1985 1	1 409†	1 083†	+2†	11	224†	+20†	-8	542
2	1 386	1 073	+2	14	216	+10	-3	652
3	1 417	1 098	+3	-	218	+11	-21	432
4	1 444	1 136	-	4	210	-3	-21	403†
1986 1				2			-16	

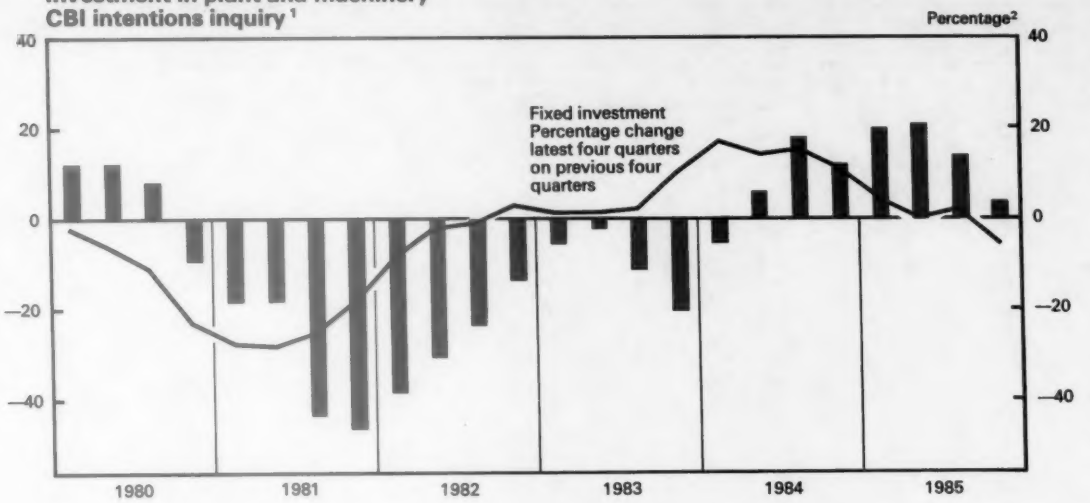
1 Percentage of firms expecting to authorise more in next 12 months less percentage expecting to authorise less.

Department of Trade and Industry inquiry into investment intentions: manufacturing industry (1,2)

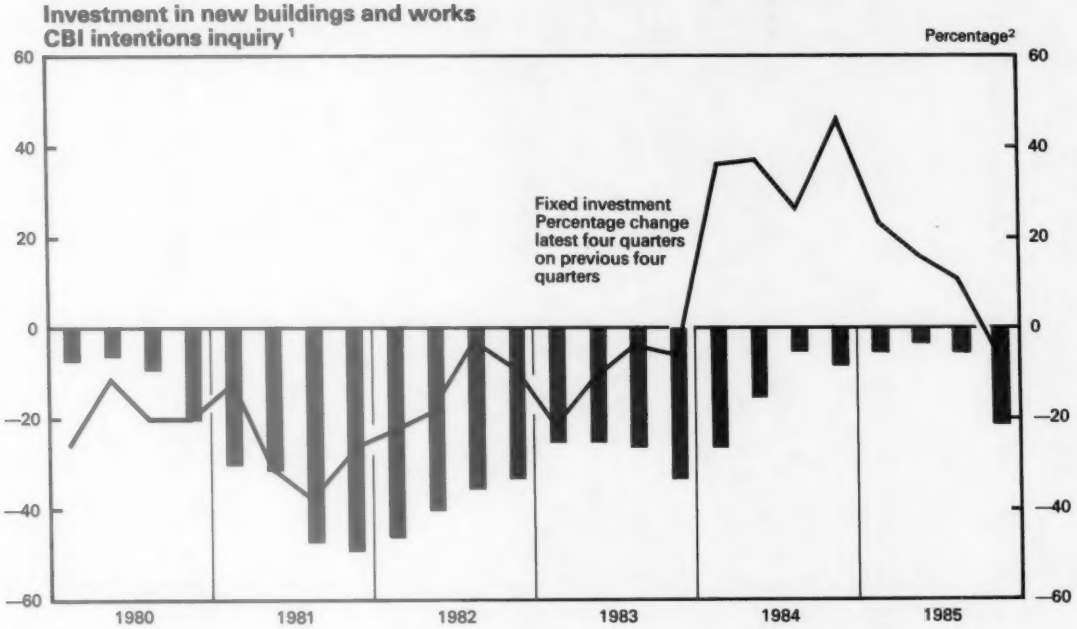
	Percentage change over previous year, in volume terms				
	Gross fixed investment (excluding leased assets)				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1974	Strong increase	Strong increase	some +12 to +14	About +5	+10
1975	Little change	Little change	-7 to -10	Of order of -15	-7
1976	Further reduction	Little change	-5 to -8	-8(5 to 8)	-6
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+8
1979	Rise, less than +8	Rise less than +8	+4 to +8	+2 to +5	+5
1980	Slight fall	Slight fall	-6 to -10	-8 to -12	-9
1981	Further fall	Fall of up to 8 to 12	-15 to -20	-15 to -18	-18
1982	Some recovery	Some recovery	-1 to -3	-3 to -5	-10
1983	Appreciable increase	Rise, around 5	Fall, up to 5	Fall, around 4	
1984	No recovery	Slow growth			

1 The figures in this table relate to manufacturing industry classified according to the Standard Industrial Classification(1968).
2 An article, 'Investment intentions survey: 1972 to 1982', published in British business on 16 September 1983 expands on the table and also includes a similar table for the distributive and service industries.

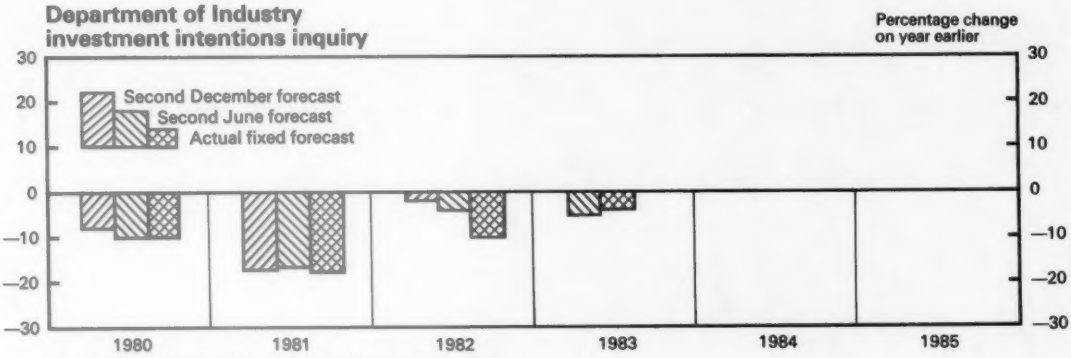
Investment in plant and machinery
CBI intentions inquiry [1]



Investment in new buildings and works
CBI intentions inquiry [1]



Department of Industry
investment intentions inquiry



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

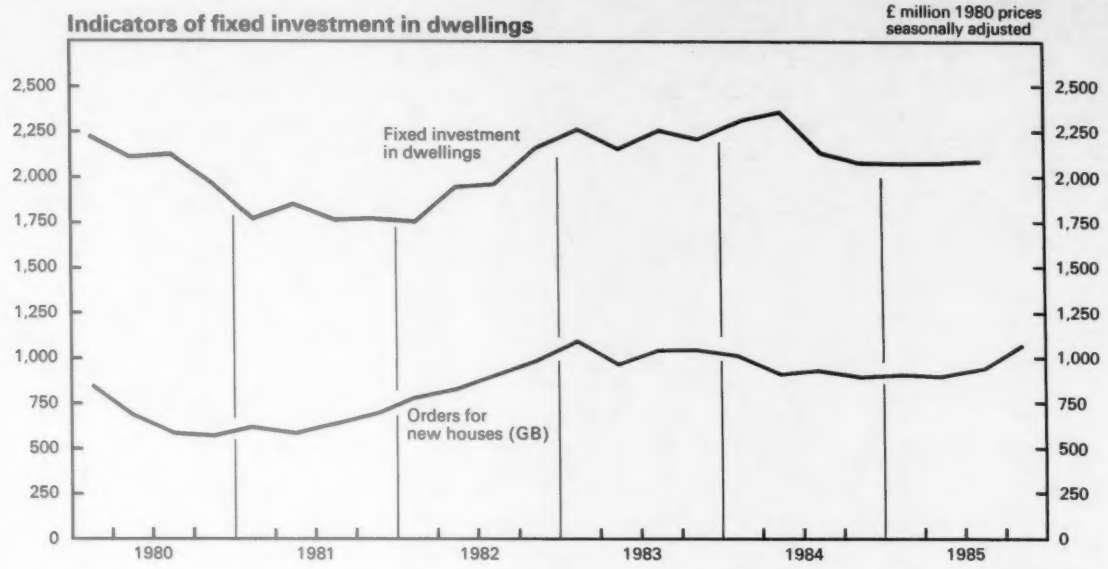
[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

Indicators of fixed investment in dwellings

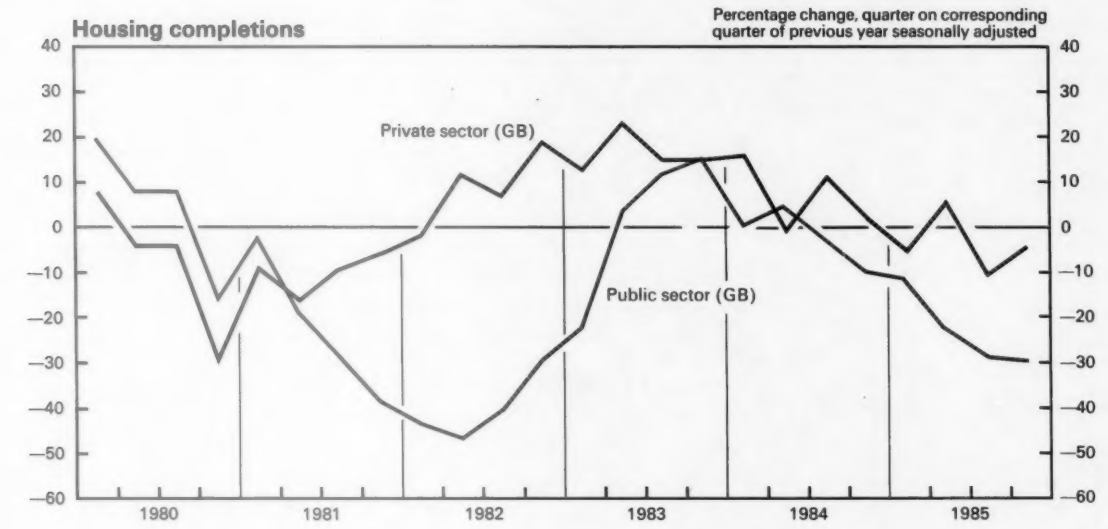
		Seasonally adjusted								Unadjusted
		£ million, 1980 prices		Thousands				£ million		1980 = 100
				Housing starts (GB)+		Housing completions (GB)+		Building societies		
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	Average price of new dwellings: mortgages approved(1)
		DFDV	FCAA	FCAB	FCAC	FCAD	FCAE	AHLC	AHLH	FCAZ
1977		8 976	4 501	134.8	132.1	140.8	182.5	1 260	1 175	54
1978		9 048	4 733	157.3	107.4	149.0	130.7	1 523	1 504	65
1979		9 197	4 001	144.0	81.2	140.5	104.0	1 498	1 519	84
1980		8 456	2 702	98.9	56.4	127.5	106.9	1 444	1 406	100
1981		7 222	2 559	116.7	37.2	114.2	84.7	1 427	1 456	102
1982		7 892†	3 548	140.5	52.8	123.9	50.1	1 931	1 716	104
1983		8 931	4 231	169.8	47.6	144.3	50.5	2 419	2 330	116
1984		8 932	3 826	154.2	39.5	153.8	49.7	2 980	2 900	125
1985		8 578	3 873†	161.6†	33.2†	148.6†	38.5†	2 937	2 871	136
		DFEG	FCAS	FCAT	FCAU	FCAV	FCAW	AHLO	AHLS	
1980	3	2 137	596	22.0	14.3	31.7	26.7	383	345	102
	4	1 972	574	23.0	10.6	29.6	25.9	376	364	103
1981	1	1 784	621	30.1	8.1	30.5	27.2	385	388	104
	2	1 858	595	28.7	8.5	27.0	22.4	374	370	105
	3	1 789	644	30.8	9.4	28.9	19.1	348	360	102
	4	1 791	699	27.1	11.2	27.8	16.0	320	338	98
1982	1	1 771†	796	35.4	13.4	29.8	15.4	374	342	99
	2	1 956	839	33.9	12.7	30.2	12.0	477	409	104
	3	1 988	916	35.4	12.6	30.8	11.4	498	436	104
	4	2 177	999	35.8	14.1	33.1	11.3	582	529	108
1983	1	2 287	1 114	44.6	14.9	33.6	12.0	584	563	112
	2	2 161	994	42.0	11.8	37.2	12.5	570	550	116
	3	2 264	1 062	40.9	9.6	35.4	12.9	607	583	118
	4	2 219	1 064	42.3	11.3	38.1	13.1	658	624	117
1984	1	2 329	1 032	39.7	11.9	38.9	12.1	721	681	121
	2	2 365	935	39.1	10.0	36.8	13.1	818	726	125
	3	2 148	950	38.4	9.4	39.3	12.6	733	759	127
	4	2 090	909	37.0	8.2	38.8	11.9	708	734	125
1985	1	2 110	916	36.7†	8.4†	36.8	10.8	695	695	130
	2	2 131	906	40.4	8.4	38.9	10.2	682	711	134
	3	2 164	982	41.5	7.5	35.5†	9.1	760	685	137
	4	2 173	1 087†	43.0	8.9	37.4	8.4†	800	780	144
1984	M	..	344	14.4	3.8	13.4	4.2	257	224	122
	A	..	322	13.3	3.6	12.4	5.4	260	240	124
	M	..	276	12.5	3.1	11.8	3.7	268	234	126
	J	..	337	13.3	3.3	12.6	4.0	290	252	126
	J	..	340	13.5	3.4	12.9	4.4	261	251	128
	A	..	331	12.9	2.6	13.3	4.5	245	252	129
	S	..	279	12.0	3.4	13.1	3.7	227	256	125
	O	..	315	12.9	2.6	12.4	4.0	234	245	124
	N	..	302	11.3	2.7	12.6	4.1	238	242	125
	D	..	292	12.8	2.9	13.8	3.8	236	247	127
1985	J	..	331	10.8	2.8	11.1	4.1	222	226	130
	F	..	265	11.8	2.6	12.6	3.4	238	231	131
	M	..	320	14.1†	3.0†	13.1	3.3	235	238	130
	A	..	273	13.9	2.9	13.2	3.3	218	231	135
	M	..	316	13.2	2.7	12.6	3.8	240	244	132
	J	..	319	13.3	2.8	12.9	3.1	224	236	134
	J	..	325	14.0	2.3	11.7	2.8	232	230	133
	A	..	306	13.7	2.6	11.6†	3.2	252	215	139
	S	..	331	13.8	2.6	12.2	3.1	276	240	140
	O	..	368	15.5	2.8	12.0	2.9	279	251	143
	N	..	397†	14.1	3.1	12.1	2.7†	286	268	144
	D	..	322	13.4	3.0	13.3	2.8	235	261	146
1986	J	..	375	13.1	2.8	11.9	2.8	256†	256†	146†

1 Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

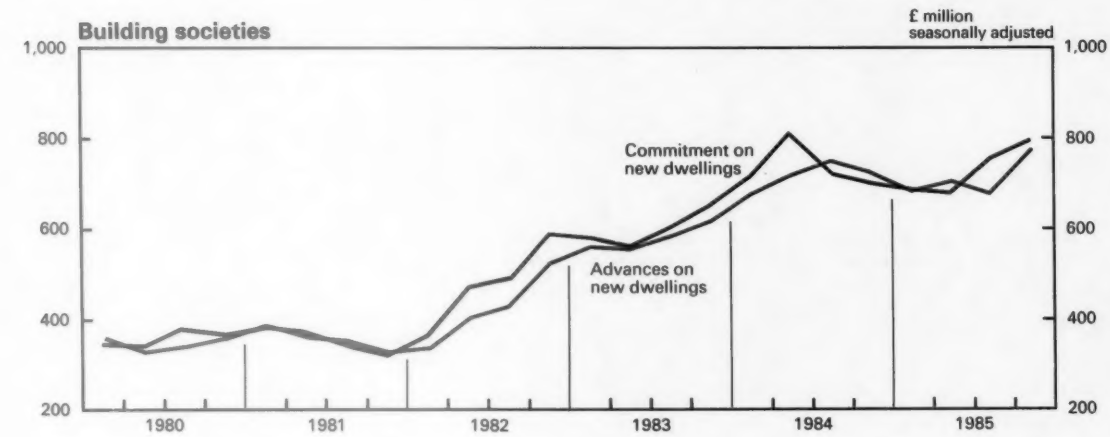
Indicators of fixed investment in dwellings



Housing completions



Building societies



Stock changes

£ million, 1980 prices, seasonally adjusted

		All industries	Energy and Water supply	Manufacturing(1) - revised definition: Total	Materials and fuels	Work in progress	Finished goods	Distribution: Wholesale(2)	Retail(3)	Other industries
Value of stocks and work in progress end - December 1984(4)		66 369	3 941	3 1608	9 792	12 004	9 812	9 516	7 320	13 984
		DGBA	DHBQ	DHBM	DGAX	DGAY	DGAW	DHBO	DHBN	DHBR
1980	3	-865	-108	-620	-372	-200	-48	53	-16	-174
	4	-1 196	157	-1 268	-426	-269	-574	72	-13	-144
1981	1	-1 073	53	-786	-345	-136	-305	-72	-18	-250
	2	-1 096	-58	-780	-390	-142	-249	-111	75	-192
	3	-292	-155	-120	-137	73	-56	-13	-13	9
	4	-23	-178	170	-121	157	134	-22	87	-80
1982	1	501	-27	-77	-31	-111	64	330	75	200
	2	237	169	-16	9	-5	-19	23	52	9
	3	-893	-124	-398	-175	-138	-86	-155	-31	-185
	4	-966	5	-622	-288	-218	-116	-203	-127	-19
1983	1	296†	77	-	-185	248	-64	-147	-79†	445
	2	12	5	-46	-97	-54	106	143	-89	9
	3	256	26	-288	-105	65	-247	23	185	330
	4	109	-115	203	129	10	63	-56	-	77
1984	1	-24	-312	55	-35	26	65	-60	108	185
	2	-265	-176	-31	-12	82	-101	-124	87	-21
	3	-142	-186	95	61	8	26	-19	-71	39
	4	289	-113	131	-6	-26	161	-42	255	58
1985	1	-224	-100†	-380	-19	-306†	-56	-56†	14	298†
	2	441	-57	198	-48†	2	244	65	7	228
	3	52	-65	4†	41	81	-118†	-142	125	130
	4	609	262	-138	-38	-78	-18	-33	203	313

1 Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
2 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
3 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
4 Unadjusted 1980 price stock levels.

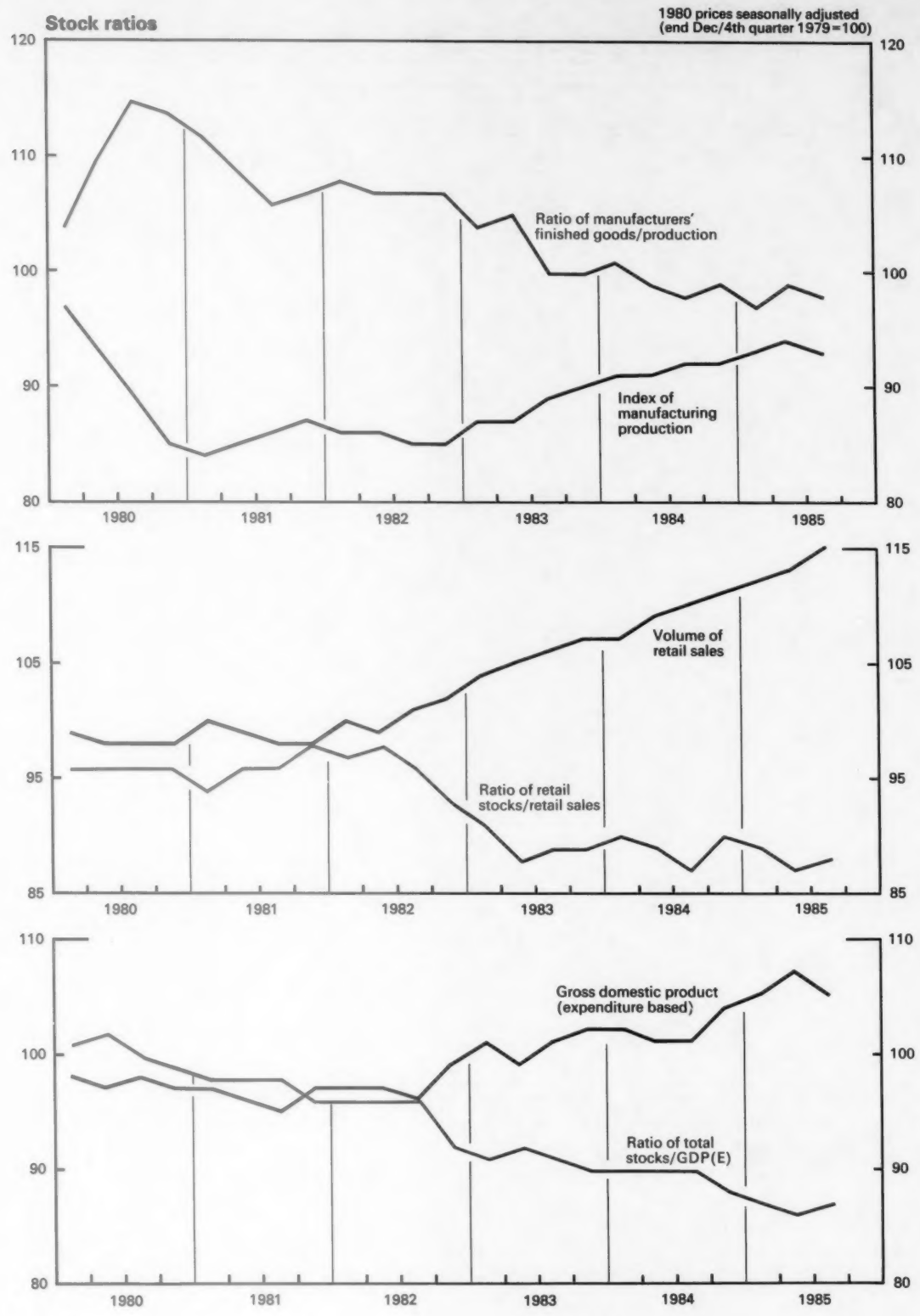
Stock ratios

Seasonally adjusted

1980 prices: stocks level, end - Dec 1979=100; GDP(E), industrial production and retail sales, 4th quarter 1979=100

		Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production (revised definition): Total stocks	Materials and fuel	Work in progress	Finished goods	Retail stocks to retail sales(1)
		FDCA	FDCB	FDCC	FDCD	FDCE	FDCF
1980	3	100	110	106	109	115	96
	4	99	110	106	111	114	96
1981	1	98	109	104	111	112	94
	2	97†	106	100	109	109	96
	3	98	103	97	108	106	96
	4	96	103	95	109	107	98
1982	1	96	104	95	108	108	97
	2	96	103	95	108	107	98
	3	96	103	94	108	107	96
	4	92	102	92	107	107	93
1983	1	91	99	89	106	104	91
	2	92	99	88	106	105	88
	3	90	96	85	104	100	89
	4	90	95	85	102	100	89
1984	1	89	95	85	101	101	90
	2	90	94	84	101	99	89
	3	89	93	83	100	98	87
	4	89	94	83	99	99	91†
1985	1	87	92	82	98	97	90
	2	87	92	81	97	99	89
	3	87	92	82	98	98	89
	4	87	90†	80†	96†	98†	92

1 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

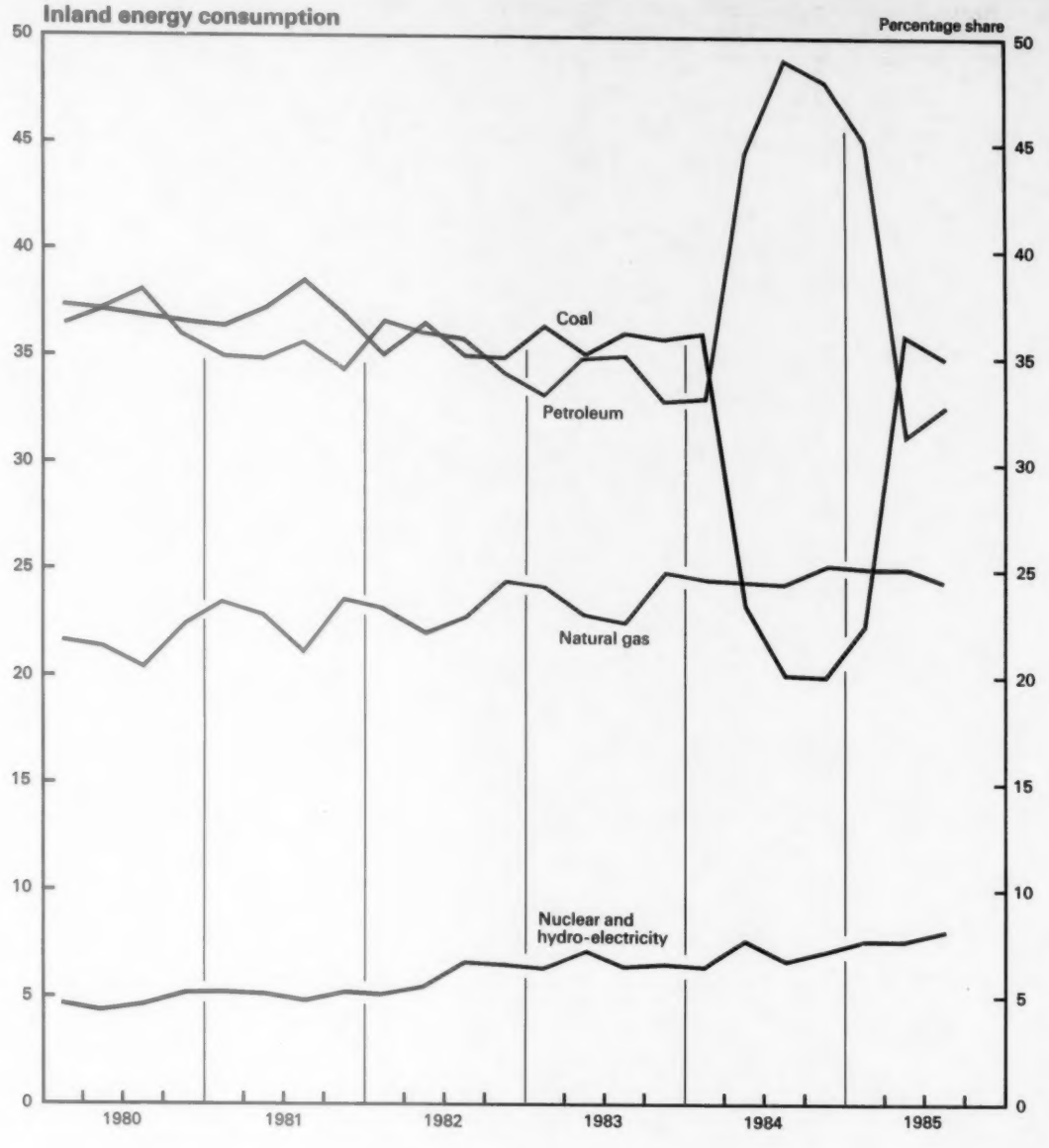

Stock ratios
1980 prices seasonally adjusted
(end Dec/4th quarter 1979=100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Volume of retail sales
Ratio of retail stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1980
1981
1982
1983
1984
1985

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

		Primary fuel input						Public supply
		Million tonnes of coal or coal equivalent						Thousand million kilowatt hours
		Total	Coal(1,2)	Petroleum(3)	Natural gas(4)	Nuclear electricity(5)	Hydro electricity(5)	Electricity available-GB(6)
		FDAA	FDAB	FDAC	FDAD	FDAE	FDAF	FDAG
1974		337.9	117.7	153.1	52.9	12.1	2.1	235.5
1975		326.9	120.6	137.1	56.3	10.9	2.0	234.2
1976		331.5	123.0	134.2	59.5	12.9	1.9	236.7
1977		338.2	122.4	136.8	62.7	14.3	2.0	240.2
1978		339.1	119.4	139.2	65.0	13.4	2.1	246.3
1979		349.3	127.2	137.0	69.1	13.8	2.2	255.0
1980		327.2	120.1	121.2	70.5	13.4	2.0	245.9
1981		315.3	117.5	110.2	71.6	13.7	2.3	239.2
1982		311.7	109.6	110.6	72.9	16.0	2.4	236.2
1983		313.6	111.6	105.9	75.6	18.1	2.4	242.3
1984		312.1	78.5	134.7	77.3	19.5	2.1	246.0
		FDAH	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAN
1980	2	328.3	122.1	122.0	69.9	12.9	1.4	248.1
	3	323.7	119.3	123.1	66.1	12.5	2.7	249.0
	4	321.2	117.6	115.4	71.7	14.2	2.3	244.1
1981	1	317.9	115.9	111.1	74.4	13.5	3.0	235.7
	2	311.7	116.1	108.5	71.1	14.1	1.9	238.9
	3	319.2	123.0	113.5	67.5	13.4	1.8	242.0
	4	312.9	115.6	107.4	73.6	13.8	2.5	240.3
1982	1	312.3	109.4	114.4	72.6	13.5	2.4	238.3
	2	305.3	111.4	110.0	67.2	14.2	2.5	235.4
	3	317.7	111.3	113.7	71.8	18.8	2.1	243.5
	4	307.3	107.4	105.0	74.9	17.4	2.6	236.3
1983	1	311.0	113.1	103.0	75.3	16.8	2.8	236.4
	2	310.6	109.0	108.4	71.1	19.4	2.7	241.7
	3	322.1	116.3	112.6	72.6	18.9	1.7	248.4
	4	306.4	110.9	101.7	76.8	17.8	2.2	242.8
1984	1	312.3	112.8	103.1	76.6	17.5	2.4	242.3
	2	306.6	71.9	136.5	74.7	21.6	2.0	244.3
	3	312.4	82.6	152.8	76.0	19.5	1.4	250.3
	4	313.1	82.6	149.9	78.5	20.1	2.0	247.2
1985	1	318.5	71.6	143.0	79.5	22.9	1.5	249.8
	2	329.7	119.1	102.8	82.3	23.6	1.7	258.4
	3	331.1	115.9	107.9	80.4	22.3	4.6	260.2
		Percentage change, quarter on corresponding quarter of previous year						
		FDAO	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAU
1980	2	-7.7	-7.0	-12.5	+0.7	-3.0	-41.7	-3.7
	3	-8.1	-9.5	-10.7	-0.8	-6.0	+3.8	-3.4
	4	-6.1	-5.8	-11.1	+0.8	+1.4	-4.2	-3.1
1981	1	-4.8	-4.6	-10.7	+2.8	-2.2	+66.7	-2.8
	2	-5.1	-4.9	-11.1	+1.7	+9.3	+35.7	-3.7
	3	-1.4	+3.1	-7.8	+2.1	+7.6	-33.3	-2.8
	4	-2.6	-1.7	-6.9	+2.6	-2.8	+8.7	-1.6
1982	1	-1.7	-5.6	+2.9	-2.3	+0.4	-20.0	+1.1
	2	-2.0	-0.4	+1.3	-5.4	+0.4	+30.4	-1.5
	3	-0.5	-9.5	+0.1	+6.7	+40.2	+14.7	+0.6
	4	-1.8	-7.1	-2.2	+1.7	+25.5	+4.6	-1.7
1983	1	-1.4	+0.5	-10.0	+3.7	+23.9	+18.5	-0.8
	2	+1.6	-2.5	-1.5	+5.8	+36.7	+8.8	+2.7
	3	+0.9	+3.1	-1.0	+1.1	+0.5	-19.7	+2.0
	4	+1.0	+4.3	-3.1	+2.5	+2.3	-14.0	+2.8
1984	1	+0.4	-0.2	-	+1.7	+4.3	-15.8	+2.5
	2	-1.3	-34.0	+25.9	+5.0	+10.9	-25.8	+1.1
	3	-3.0	-46.1	+35.8	+4.7	+2.8	-15.6	+0.8
	4	+1.2	-43.5	+47.5	+2.2	+12.6	-9.6	-1.2
1985	1	+2.0	-36.5	+38.7	+3.8	+31.0	-36.1	+3.1
	2	+7.5	+65.6	-24.7	+10.1	+10.4	-14.2	+5.8
	3	+6.0	+85.0	-29.4	+5.8	+14.6	+224.2	+4.0

1 Consumption by fuel producers plus colliery disposals to final users plus net foreign trade and stock change in other solid fuels.
2 Coal data for 1983 have been adjusted, for the purposes of comparison with 1984, to take account of calendar differences between 1983 and 1984.
3 Inland deliveries for energy use plus refinery fuel and losses minus the difference between deliveries and actual consumption at power stations and gas works.
4 Excluding gas flared or re-injected.
5 Nuclear and hydro electricity are not temperature corrected.
6 The inclusion of Northern Ireland would add about 2 per cent to the total.


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Coal
Petroleum
Natural gas
Nuclear and
hydro-electricity
1980
1981
1982
1983
1984
1985

Index of output of the production and construction industries

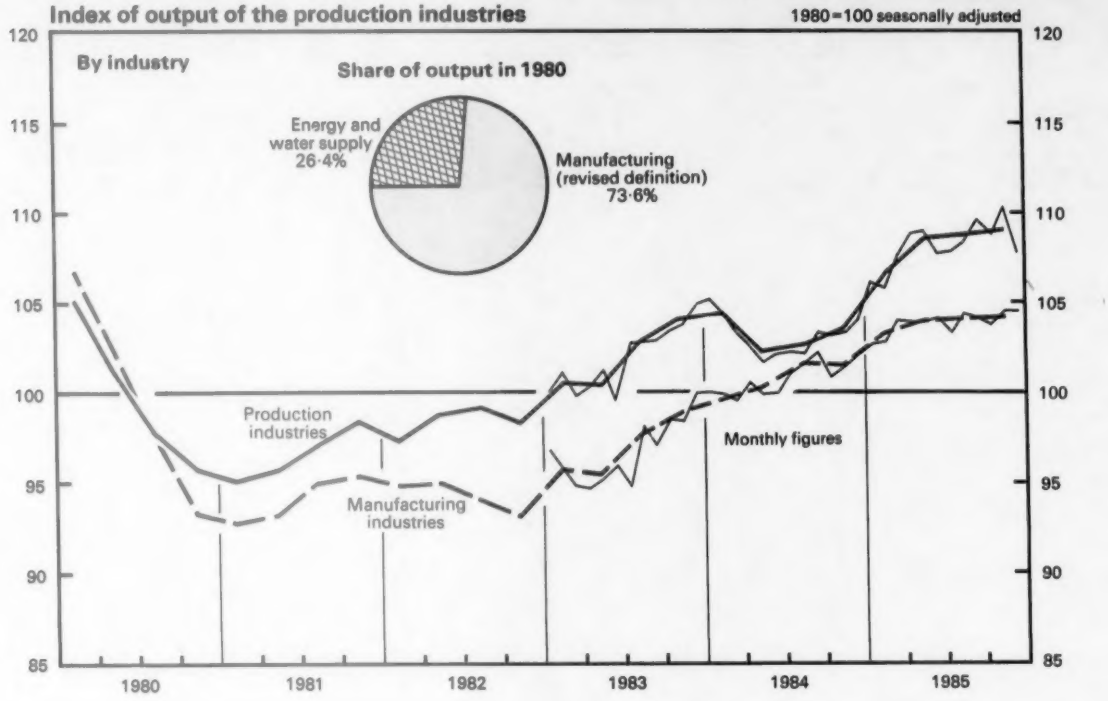
1980 = 100, seasonally adjusted

		Total production industries	Energy and water supply	Total Manufacturing industries	Construction	Total production and construction	Consumer goods industries	Investment goods industries	Intermediate goods industries
1980 weights PPT of GDP(O)		1 000 361	264 95	738 266	63(1)	424	245 88	243 88	512 185
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		96.6	103.9	94.0	89.9	95.6	96.4	91.3	99.2
1982		98.4	110.0	94.2	91.6	97.4	95.8	92.4	102.3
1983		101.9	115.8	96.9	95.3	100.9	98.9	93.0	107.6
1984		103.2	110.1	100.7	98.6	102.5	101.7	97.0	106.8
1985		108.1†	120.1†	103.8†	100.0†	106.9†	104.2†	103.5†	112.3†
					DVJO	DVJN			
1980	2	101.2	98.0	102.4	101.5	101.2	100.6	101.9	101.1
	3	97.8	96.9	97.5	100.5	98.3	98.5	97.5	97.9
	4	95.8	102.4	93.4	93.0	95.3	95.0	93.4	96.9
1981	1	95.1	102.0	92.7	92.4	94.8	95.9	90.0	97.2
	2	95.7	102.9	93.1	89.5	94.8	95.4	90.7	98.2
	3	97.2	103.5	94.9	90.9	96.3	97.3	91.9	99.5
	4	98.4	107.1	95.3	86.9	96.7	96.8	92.8	102.0
1982	1	97.3	104.4	94.8	89.1	96.1	96.0	93.0	99.9
	2	98.7	109.4	94.9	90.6	97.6	95.7	93.8	102.6
	3	99.2	113.2	94.2	92.6	98.1	95.9	92.2	103.8
	4	98.3	112.9	93.1	94.3	97.7	95.7	90.5	103.1
1983	1	100.4	113.3	95.8	93.7	99.4	97.6	93.5	105.0
	2	100.4	114.3	95.4	92.1	99.2	97.4	91.1	106.2
	3	102.8	117.6	97.6	97.7	102.0	100.0	92.9	109.0
	4	104.1	118.3	98.9	97.8	103.1	100.5	94.5	110.1
1984	1	104.3	117.7	99.5	97.0	103.2	100.4	94.9	110.6
	2	102.2	107.9	100.1	98.1	101.6	101.6	96.2	105.4
	3	102.7†	105.4	101.7	100.5	102.4	102.5	98.2†	104.8
	4	103.6	109.5	101.4†	98.7	102.8	102.2	98.9	106.4
1985	1	106.5	115.9†	103.1	99.3	105.4	103.3	102.5	109.8†
	2	106.5	121.0	104.0	100.2	107.3†	103.4†	104.5	112.8
	3	108.6	121.5	104.0	99.3†	107.2	105.2	102.2	113.3
	4	108.9	122.1	104.2	101.3	107.9	104.9	104.6	113.1
		DVGY	DVGZ	DVHE			DVHZ	DVIF	DVIJ
1983	A	102.7	117.9	97.3	..	..	100.0	92.9	108.8
	S	103.0	119.1	97.2	..	..	99.3	91.9	110.0
	O	103.5	117.3	98.5	..	..	100.6	93.3	109.5
	N	103.8	118.7	98.4	..	..	99.8	93.6	110.4
	D	104.9	118.8	99.9	..	..	101.2	95.7	110.5
1984	J	105.2	119.7†	100.0	..	..	100.5	95.9	111.6
	F	104.5	119.7	99.0	..	..	100.2	94.0	111.4
	M	103.3	113.7	99.6	..	..	100.5	94.7	108.7
	A	102.6	108.3	100.6	..	..	102.9	96.2	105.7
	M	101.8	107.2	99.8	..	..	101.4	95.9	104.9
	J	102.2	108.2	100.0	..	..	100.4	96.6	105.7
	J	102.4	106.1	101.1	..	..	102.0	97.4†	104.9
	A	102.2†	103.4	101.8†	..	..	102.0	98.4	104.0
	S	103.4	106.6	102.2	..	..	103.8	98.7	105.5
	O	103.3	110.2	100.8	..	..	102.5	97.5	106.4
	N	103.4	109.0	101.4	..	..	102.0	98.9	106.1
	D	104.0	109.4	102.1	..	..	102.2	100.3	106.6
1985	J	106.1	115.9	102.6	..	..	102.8	101.7	109.7†
	F	105.8	114.0	102.8	..	..	103.4	101.5	108.8
	M	107.6	117.8	104.0	..	..	103.7†	104.4	110.9
	A	108.8	122.3	103.9	..	..	103.1	104.4	113.6
	M	109.0	123.1	103.9	..	..	103.1	105.0	113.6
	J	107.7	117.6	104.1	..	..	104.1	104.1	111.3
	J	107.8	120.2	103.4	..	..	104.3	101.5	112.6
	A	108.4	119.4	104.4	..	..	105.7	102.7	112.4
	S	109.6	125.0	104.1	..	..	105.5	102.4	115.0
	O	108.8	123.0	103.7	..	..	103.8	104.3	113.5
	N	110.3	126.6	104.5	..	..	105.2	104.6	115.6
	D	107.7	116.7	104.5	..	..	105.7	105.0	110.2
1986	J	109.4	123.3	104.4	..	..	103.5	105.1	114.3

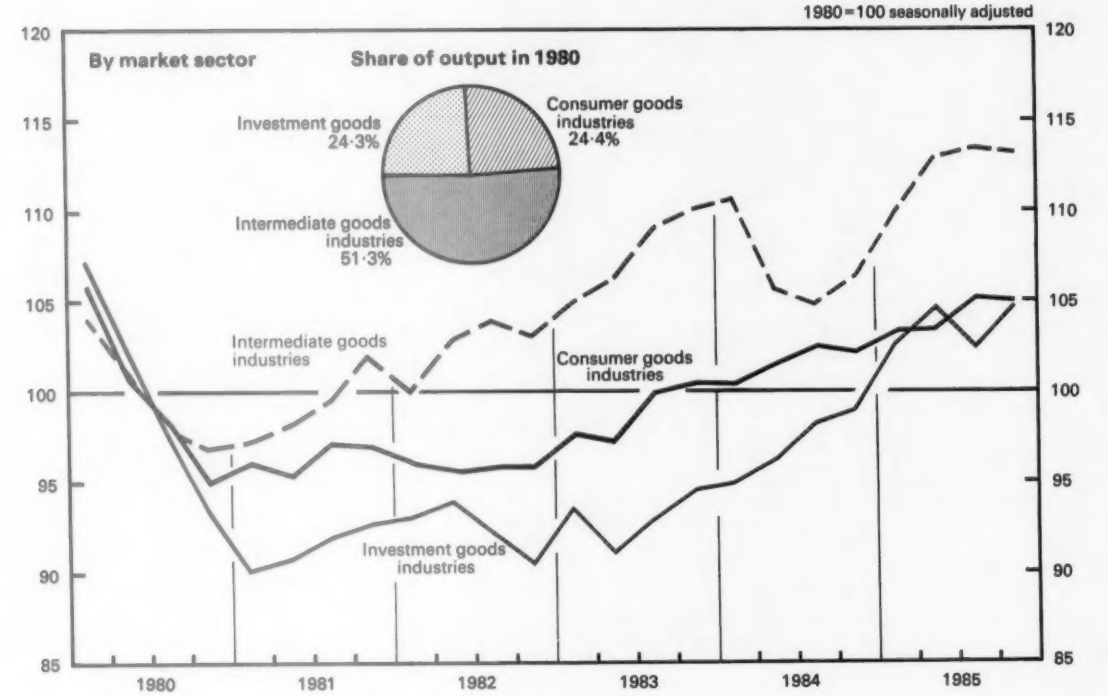
1 For an index of construction output for Great Britain, see page 30.

Index of output of the production industries

1980=100 seasonally adjusted



1980=100 seasonally adjusted



Index numbers of output at constant factor cost

Seasonally adjusted

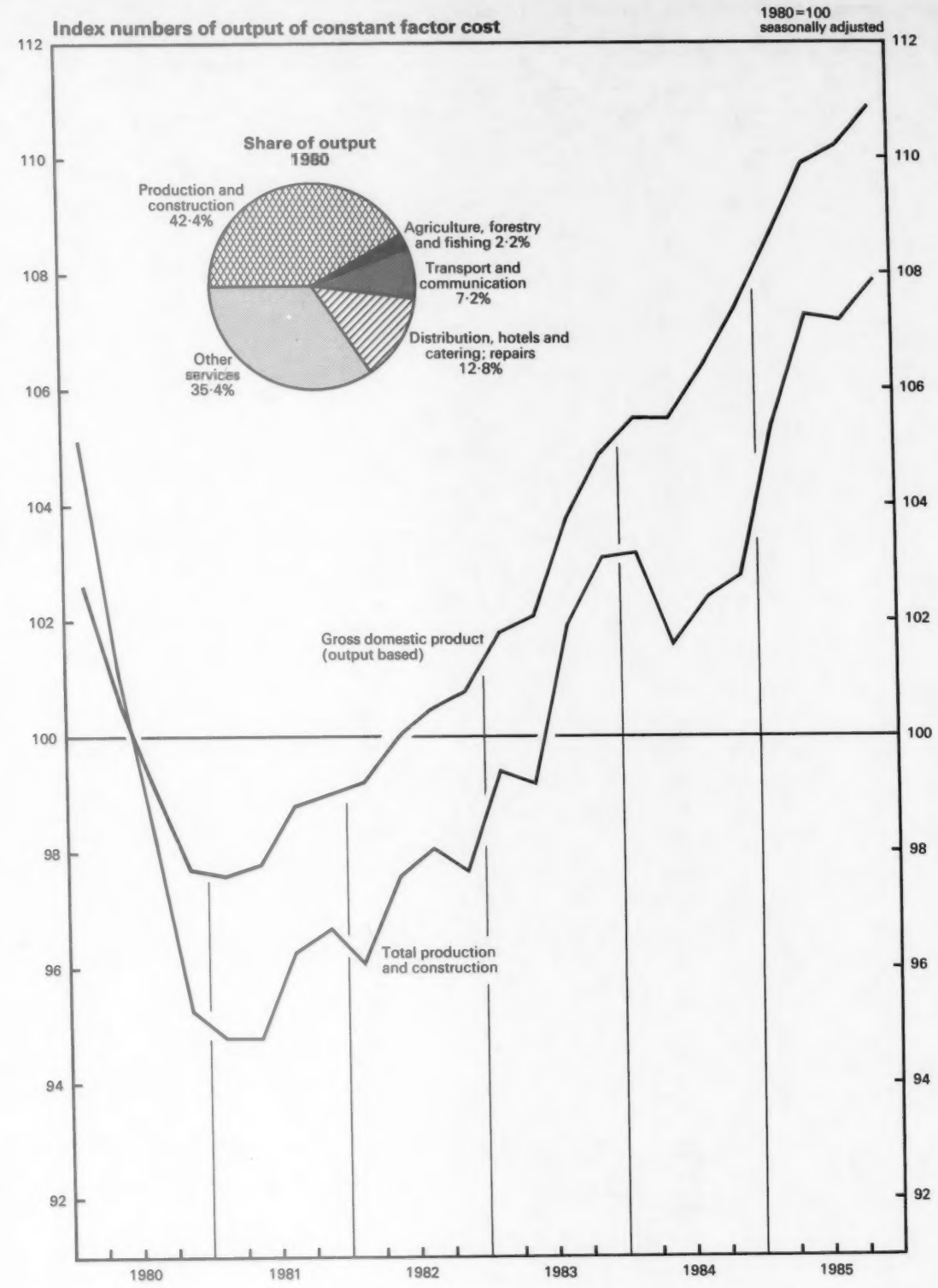
1980 = 100

		Gross domestic product	Agriculture, forestry and fishing	Production and construction(1)	Distribution, hotels and catering; repairs	Transport and communication	Other services
1980 weights		1 000	22	424	128	72	354
		DIAX	CKCY	DVJN	CKDA	CKDB	CKDE
1977		96.5	85.1	99.8	99.0	94.2	92.8
1978		99.8	91.5	103.4	104.8	96.6	94.9
1979		103.0	90.1	106.9	107.9	101.3	97.6
1980		100.0	100.0	100.0	100.0	100.0	100.0
1981		98.3	102.4	95.6	98.1	99.3	101.1
1982		100.1	111.0	97.4	100.0	98.9	103.0
1983		103.1	106.5	100.9	103.2	102.4	105.7
1984		106.4†	121.3†	102.5	106.8†	106.8†	109.8†
1985		110.0	117.3	106.9†	110.2	112.1	112.8
		DSAE	CKAP	107.5	CKAQ	CKAR	CKAS
1979	4	103.7	93		108	103	99
1980	1	102.6	97	105.2	104	101	100
	2	100.7	100	101.2	101	98	100
	3	99.1	101	98.3	98	98	101
	4	97.7	101	95.3	97		
1981	1	97.6	101	94.8	98	98	101
	2	97.8	101	94.8	98	99	101
	3	98.8	103	96.3	99	100	101
	4	99.0	105	96.7	97	100	102
1982	1	99.2	109	98.1	99	99	102
	2	100.0	112	97.6	98	100	103
	3	100.5	112	98.1	101	98	103
	4	100.8	111	97.7	101	99	104
1983	1	101.8	106	99.4	102	101	105
	2	102.1	104	99.2	102	102	105
	3	103.8	105	102.0	104	102	106
	4	104.9	110	103.1	105	104	107
1984	1	105.6†	117†	103.2	105	105	108
	2	105.6	123	101.6	106	105	109
	3	106.7	124	102.4	107	108	110
	4	107.6	121	102.8	110†	110	111
1985	1	108.8	118	105.4	109	111	112
	2	110.0	116	107.3†	110	112	113†
	3	110.2	117	107.2	111	112†	113
	4	111.1	119	107.9	112	114	114

Percentage change, quarter on corresponding quarter of previous year

1979	4	+2.7	+1	+2.9	-	+5	+3
1980	1	+2.1	+8	+1.1	-1	+8	+3
	2	-3.5	+14	-7.1	-10	-2	+2
	3	-4.0	+13	-8.4	-8	-6	+2
	4	-5.8	+9	-11.3	-10	-6	+2
1981	1	-4.9	+4	-9.9	-6	-5	+2
	2	-2.9	+1	-6.3	-3	-2	+1
	3	-0.3	+2	-2.0	+1	+2	+1
	4	+1.3	+4	+1.5	-	+2	+1
1982	1	+1.6	+8	+1.4	+1	+1	+1
	2	+2.3	+11	+3.0	+1	+1	+2
	3	+1.7	+9	+1.9	+2	-2	+2
	4	+1.8	+6	+1.0	+4	-1	+2
1983	1	+2.6	-3	+3.4	+3	+2	+3
	2	+2.1	-7	+1.6	+3	+2	+2
	3	+3.3	-6	+4.0	+3	+4	+3
	4	+4.1	-1	+5.5	+4	+5	+3
1984	1	+3.7	+10	+3.8	+3	+4	+3
	2	+3.4	+18	+2.4	+4	+3	+4
	3	+2.8	+18	+0.4	+3	+6	+4
	4	+2.6	+10	-0.3	+5	+6	+4
1985	1	+3.0	+1	+2.1	+4	+6	+4
	2	+4.2	-6	+5.6	+4	+7	+4
	3	+3.3	-6	+4.7	+4	+4	+3
	4	+3.3	-2	+5.0	+2	+4	+3

1 The latest revisions to this column may not yet have been fully taken into account in the calculation of the series shown for overall gross domestic product.


Index numbers of output of constant factor cost
1980=100
seasonally adjusted
Share of output
1980
Production and construction 42·4%
Agriculture, forestry and fishing 2·2%
Transport and communication 7·2%
Distribution, hotels and catering; repairs 12·8%
Other services 35·4%
Gross domestic product (output based)
Total production and construction
112
110
108
106
104
102
100
98
96
94
92
1980
1981
1982
1983
1984
1985

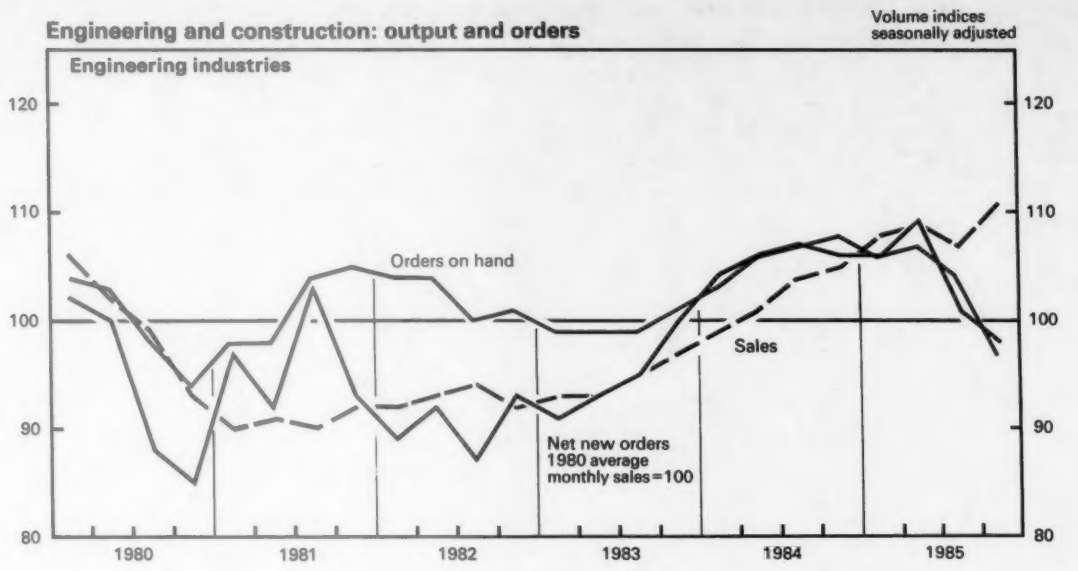
Engineering and construction: output and orders

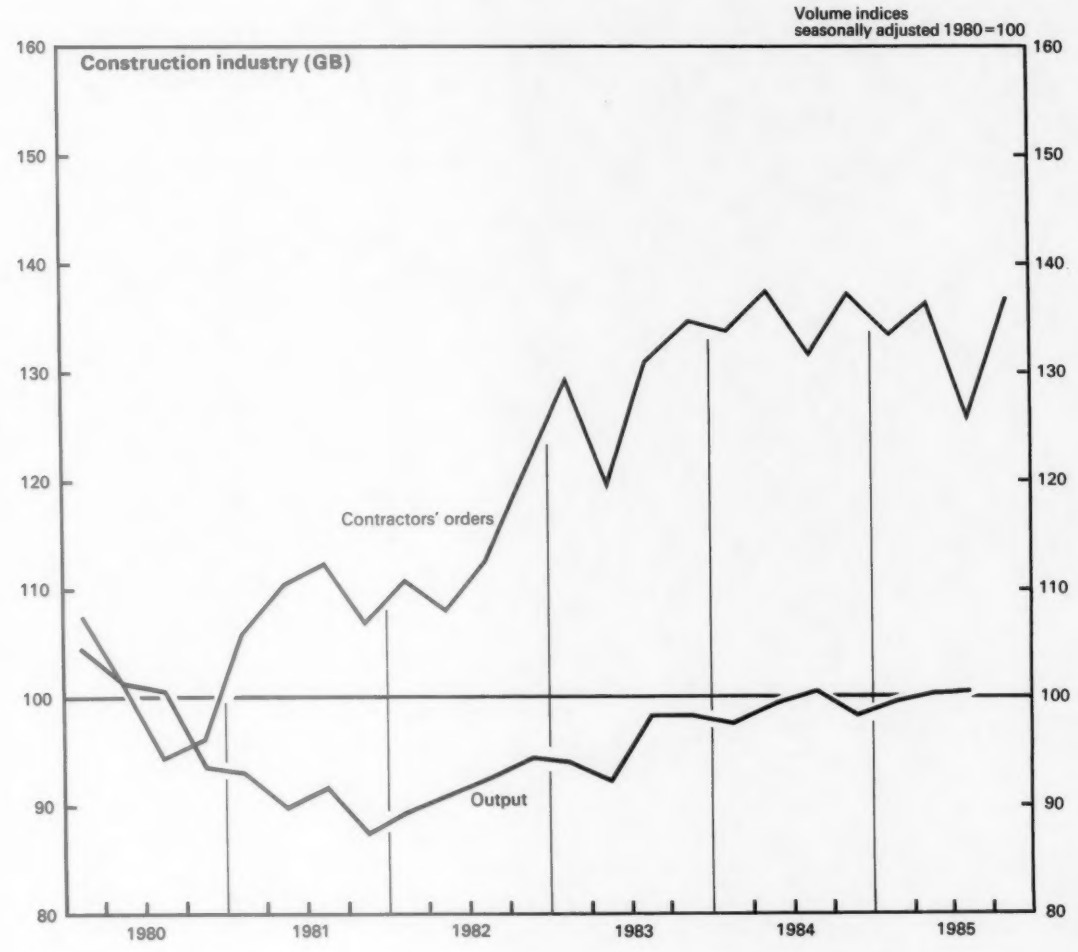
Seasonally adjusted volume index numbers

		Engineering industries(1)							Construction(GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders(2)	Orders on hand end of period	New orders(2)	Orders on hand end of period	New orders(2)	Output(3,4)	Orders received
		1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	1980 = 100	1980 = 100
		FEAA	DKCJ	FEAC	FEAV	FEAE	FEAX	FEAG	FEAB	FEAD
1981		91	105	97	102†	96†	110†	98†	90.5	109.1
1982		93	101	91†	102	93	98	85	91.9	113.2
1983		95	101	95	98	95	105	94	95.7	128.8
1984		102	108†	106	100	103	121	110	99.0	135.2
1985		109†	97	104	87	101	114	108	100.3†	133.0†
		FEAJ		FEAL		FEAN		FEAP	FEAQ	FEAZ
1981	3	90	104	103	102	92	109	126†	91.7	112.5
	4	92	106	93†	102†	92	110†	96	87.3	107.0
1982	1	92	104	89	102	91	107	86	89.4	110.9
	2	93†	104	92	101	92	107	93	91.0	108.1
	3	94	100	87	101	93	100	76	92.7	112.8
	4	92	101	93	102	97	98	84	94.4	120.9
1983	1	93	99	91	98	87	103	99	94.0	129.5
	2	93	99	93	97	94†	104	92	92.3	119.8
	3	95	99	95	97	100	102	84	98.2	131.1
	4	97	101	100	98	100	105	99	98.3	134.8
1984	1	99	103	104	100	105	109	101	97.7	133.8
	2	101	106	106	100	102	114	113	99.3	137.6
	3	104	107†	107	100	102	120	116	100.5	131.9
	4	105	108	106	100	103	121	110	98.3	137.2
1985	1	108	106	106	99	106	119	105	99.6	133.5
	2	109	107	109	97	101	123	126	100.3	136.4
	3	107	104	101	93	98	122	106	99.7†	125.9
	4	111	97	98	87	99	114	96	101.7	136.1†
		FEAS		FEAU		FEAW		FEAY		
1983	A	95	99	93†	97	100†	102†	79†	..	121.8
	S	93†	99	93	97	97	102	86	..	134.5
	O	97	99	98	97	101	103	92	..	127.8
	N	95	100	101	98	101	105	101	..	138.5
	D	99	101	101	98	99	105	106	..	138.0
1984	J	100	102	106	99	110	106	98	..	136.0
	F	97	103	103	100†	102	108	105	..	131.4
	M	99	103	102	100	103	109	99	..	134.1
	A	100	104†	108	101	107	111	110	..	126.2
	M	99	105	101	100	96	113	111	..	131.8
	J	103	106	109	100	104	114	119	..	154.9
	J	103	107	109	101	106	117	115	..	129.8
	A	103	105	98	98	87	118	115	..	136.6
	S	105	107	116	100	114	120	119	..	129.4
	O	103	108	110	101	106	121	117	..	143.3
	N	104	106	103	100	100	121	107	..	136.6
	D	107	108	104	100	103	121	107	..	131.8
1985	J	105	108	105	99	101	122	113	..	143.7
	F	107	108	109	99	107	122	114	..	120.1
	M	113	106	103	99	111	119	88	..	136.6
	A	106	106	102	98	97	119	111	..	130.8
	M	107	106	109	98	106	119	114	..	144.1
	J	114	107	118	97	100	123	152	..	134.4
	J	105	106	100	96	99	123	102	..	131.3
	A	108	105	102	95	101	121	104	..	122.3
	S	108	104	102	93	97	122	113	..	124.1
	O	109	101	91	90	88	119	98	..	153.2
	N	111	99	99	88	100	118	98	..	140.1†
	D	112	97	103	87	109	114	92	..	114.9
1986	J								..	149.4

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).
2 Net of cancellations.
3 This index is based on an output series which includes repair and maintenance estimates, unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
4 Details of the method of deflation to constant prices are given in Economic Trends, No.297, July 1978.

Engineering and construction: output and orders

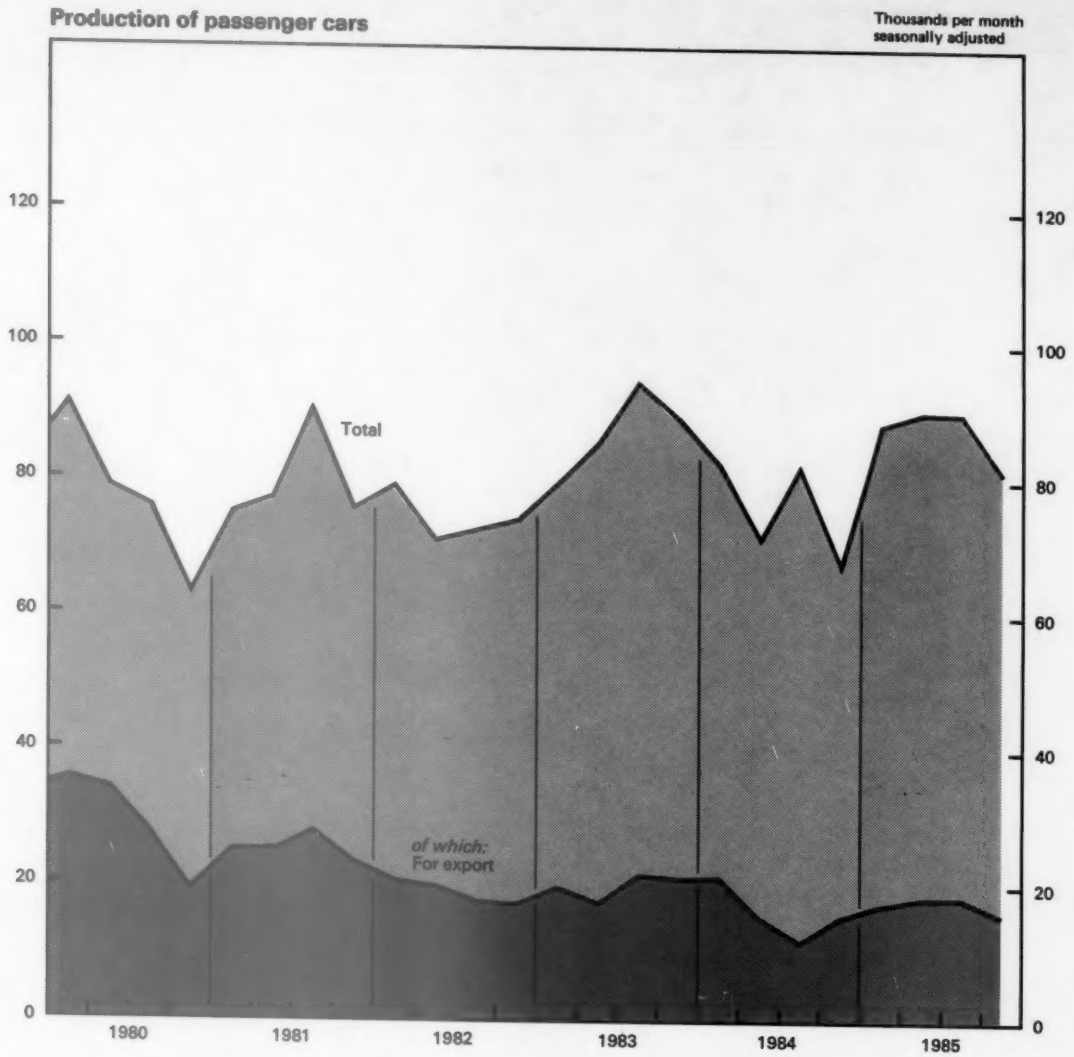


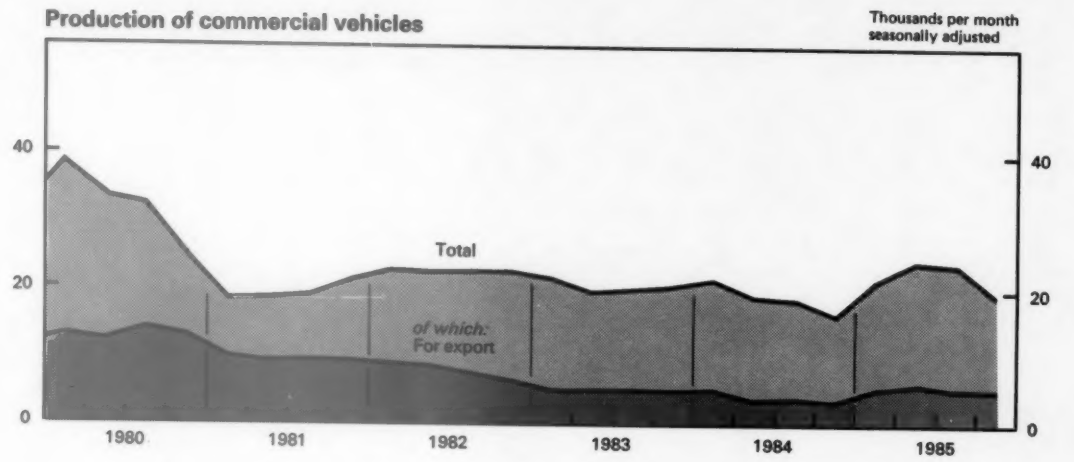


Motor vehicle production and steel production and consumption

		Seasonally adjusted					
		Thousands(1)				Thousand tonnes	
		Passenger cars*		Commercial vehicles*			
		Total	Production for export	Total	of which: For export	Crude steel production(2,3,4)	Finished steel consumption
		FFAA	FFAB	FFAC	FFAD	FFAF	FFAE
1975		105.6	44.3	31.7	15.5	20 088	15 446
1976		111.1	47.1	31.0	15.8	22 274	15 804
1977		109.7	46.9	33.2	16.4	20 411	15 300
1978		101.9	41.2	32.0	14.1	20 311	15 710
1979		89.2	32.7	34.0	13.5	21 464	15 480
1980		77.0	29.1	32.4	13.0	11 277	12 770
1981		79.5	25.4	19.1	9.5	15 573	12 440
1982		74.0	18.9	22.4	7.7	13 704	12 800
1983		87.0	19.8	20.4	5.2	14 986	11 620
1984		75.7	16.0	18.7	4.1	15 121	11 442
1985		87.3	17.3	21.9	5.2	15 722	11 550†
		FFAO	FFAP	FFAQ	FFAR	FFAM	FFAN
1981	3	90.8	27.9	19.1	9.6	3 813	3 272
	4	75.5	23.3	21.2	9.4	4 018	3 150
1982	1	79.1	20.6	22.3	8.8	4 030	3 228
	2	70.9	19.8	22.2	8.4	3 840	3 232
	3	72.1	17.7	22.5	7.5	3 054	2 960
	4	73.9	17.2	22.5	6.1	2 720	2 880
1983	1	79.3	19.4	21.7	5.2	3 768	2 841
	2	85.7	17.6	19.6	5.3	3 813	2 919
	3	94.1	21.2	20.0	5.3	3 690	2 854
	4	89.1	21.0	20.2	5.1	3 662	3 006
1984	1	82.4	21.4	21.2	5.3	3 963	2 876
	2	71.3	15.5	19.0	3.7	3 604	2 742
	3	82.1	11.8	18.6	3.9	3 743	2 934
	4	67.2	15.4	16.1	3.7	3 766	2 892
1985	1	88.2	16.8	21.1	5.0	3 766	2 850
	2	90.0	18.4	24.0	5.8	4 273	2 740†
	3	89.9	18.2	23.8	5.1	3 899	2 870
	4	81.3	15.8	18.9	5.1	3 789	3 090
						FFAT	
1983	N	94.2	23.2	21.3	5.5	1 454	..
	D	86.6	21.1	20.3	5.7	1 076	..
1984	J	92.4	28.2	22.7	6.3	1 184	..
	F	77.9	17.9	21.1	5.1	1 560	..
	M	76.8	18.0	19.8	4.4	1 239	..
	A	74.5"	15.7	20.7	3.8	1 112	..
	M	75.2	15.0	18.8	3.6	1 331	..
	J	64.2	15.8	17.5	3.7	1 160	..
	J	79.2	7.4	19.1	3.7	1 262	..
	A	85.4	13.3	18.6	3.8	1 271	..
	S	81.6	14.7	18.1	4.2	1 210	..
	O	77.9	14.9	17.4	4.0	1 494	..
	N	55.8	13.9	15.2	3.6	1 204	..
	D	68.0	17.4	15.8	3.6	1 069	..
1985	J	90.2	20.4	19.3	4.3	1 290	..
	F	86.4	15.1	21.8	5.0	1 153	..
	M	88.0	14.8	22.1	5.8	1 323	..
	A	90.2	19.9	23.4	5.3	1 327	..
	M	87.9	19.5	22.2	6.3	1 605	..
	J	91.8	15.8	26.4	5.8	1 340	..
	J	84.5	13.7	22.2	5.0	1 505	..
	A	88.7	20.6	25.0	5.5	1 173	..
	S	96.4	20.4	24.2	4.9	1 221	..
	O	70.0	13.4	20.4	4.2	1 453	..
	N	76.7	14.9	15.7	5.0	1 183	..
	D	97.2	19.2	20.6	6.0	1 153	..
1986	J	78.3†	15.5†	18.4†	4.7†		..

1 Monthly averages or standardised calendar months.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
3 The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
4 June, August and November 1983 are 5-week periods, as are February, May, August and October 1984.


Production of passenger cars
Thousands per month
seasonally adjusted
120
100
80
60
40
20
0
Total
of which:
For export
1980
1981
1982
1983
1984
1985

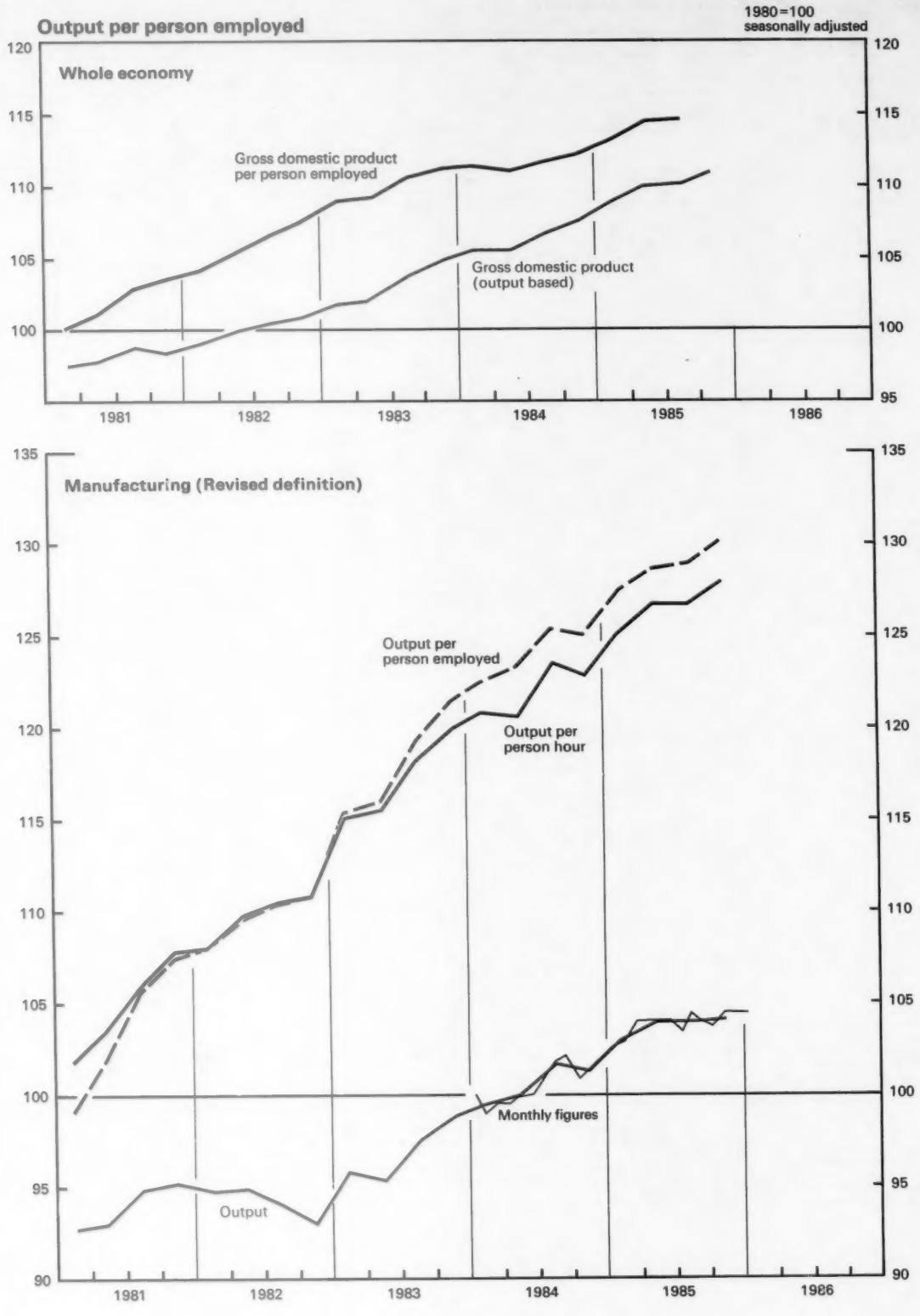

Production of commercial vehicles
Thousands per month
seasonally adjusted
40
20
0
Total
of which:
For export
1980
1981
1982
1983
1984
1985

Output per person employed

1980 = 100, seasonally adjusted

		Total employed labour force	Employment		Output per person employed(1)			Output per hour in manufacturing industries(2)
			Total production industries(2)	Manufacturing industries(2)	Whole economy	Total production industries(2)	Manufacturing industries(2)	
		DMBC	DMBK	DMBD	DMBE	CAIW	DMBF	DMBH
1981		96.6	91.5	91.0	101.8	105.6	103.5	104.8
1982		94.7	86.7	86.0	105.8	113.5	109.7	109.7
1983		93.9	82.9	82.2	109.9	122.9	118.0	117.2
1984		95.3	81.7	81.2	111.7†	126.2	124.0	122.1
1985			80.9	80.8		133.6†	128.6†	126.5†
1981	4	95.7	89.5	88.8	103.4	110.0	107.4	107.7
1982	1	95.3	88.5	87.8	104.1	110.0	108.0	108.0
	2	95.0	87.4	86.7	105.3	113.1	109.6	109.7
	3	94.5	86.2	85.4	106.4	115.0	110.4	110.5
	4	93.9	84.9	84.1	107.4	115.8	110.7	110.7
1983	1	93.6	83.9	83.1	108.8	119.7	115.4	115.1
	2	93.6	83.1	82.3	109.1	120.8	116.0	115.5
	3	93.9	82.6	81.9	110.5	124.5	119.3	118.3
	4	94.4	82.2	81.5	111.2	126.6	121.4	119.9
1984	1	94.8	81.9	81.3	111.4†	127.4	122.5	120.6
	2	95.1	81.8	81.3	111.1	125.0	123.3	121.4
	3	95.4	81.7	81.2	111.9	125.7	125.4	123.5
	4	95.8	81.6	81.2	112.3	126.9	125.0	122.8
1985	1	96.0	81.4	81.0	113.4	130.9	127.4	125.2
	2	96.1	81.1	80.8	114.5	133.8†	128.7†	126.7
	3	96.3	80.8	80.8	114.5	134.4	128.8	126.7
	4		80.5	80.5		135.4	129.6	127.3†
1984	S	..	..	81.2	..	..	126.0	124.1
	O	..	..	81.2	..	..	124.2†	122.0†
	N	..	..	81.2	..	..	125.0	122.9
	D	..	..	81.2	..	..	125.8	123.4
1985	J	..	..	81.1	..	..	126.6	124.5
	F	..	..	81.0	..	..	126.9	124.7
	M	..	..	80.9	..	..	128.6	126.4
	A	..	..	80.8	..	..	128.6	127.2
	M	..	..	80.9	..	..	128.6	126.4
	J	..	..	80.8	..	..	128.9	126.6
	J	..	..	80.9	..	..	128.0	125.9
	A	..	..	80.7	..	..	129.4	127.3
	S	..	..	80.7	..	..	129.0	126.8
	O	..	..	80.6	..	..	128.7	126.6
	N	..	..	80.4	..	..	130.0	127.6
	D	..	..	80.4	..	..	130.0	127.6
1986	J	..	..	80.4†	..	..	130.0	127.9
		Percentage change, quarter on corresponding quarter of previous year						
1981	3	-3.6	-8.4	-8.1	+3.4	+8.4	+7.1	+6.9
	4	-3.0	-7.2	-7.4	+4.4	+10.8	+10.3	+8.2
1982	1	-2.5	-5.9	-6.1	+4.1	+8.6	+8.9	+6.1
	2	-1.9	-5.0	-5.3	+4.2	+8.8	+7.6	+5.9
	3	-1.8	-5.0	-5.1	+3.6	+7.3	+4.5	+4.1
	4	-1.9	-5.1	-5.3	+3.9	+5.3	+3.1	+2.8
1983	1	-1.8	-5.2	-5.4	+4.5	+8.8	+6.8	+6.5
	2	-1.5	-4.9	-5.0	+3.6	+6.8	+5.8	+5.3
	3	-0.6	-4.2	-4.1	+3.9	+8.3	+8.1	+7.0
	4	+0.5	-3.2	-3.1	+3.5	+9.3	+9.6	+8.3
1984	1	+1.3	-2.4	-2.1	+2.4	+6.4	+6.2	+4.8
	2	+1.6	-1.6	-1.3	+1.8	+3.5	+6.3	+5.1
	3	+1.6	-1.1	-0.9	+1.3	+1.0	+5.1	+4.5
	4	+1.5	-0.7	-0.4	+1.0	+0.2	+3.0	+2.4
1985	1	+1.3	-0.6	-0.4	+1.8	+2.7	+4.0	+3.8
	2	+1.1	-0.9	-0.6	+3.1	+7.0	+4.4	+4.4
	3	+0.9	-1.1	-0.5	+2.3	+6.9	+2.7	+2.5
	4		-1.3	-0.9		+6.7	+3.7	+3.7

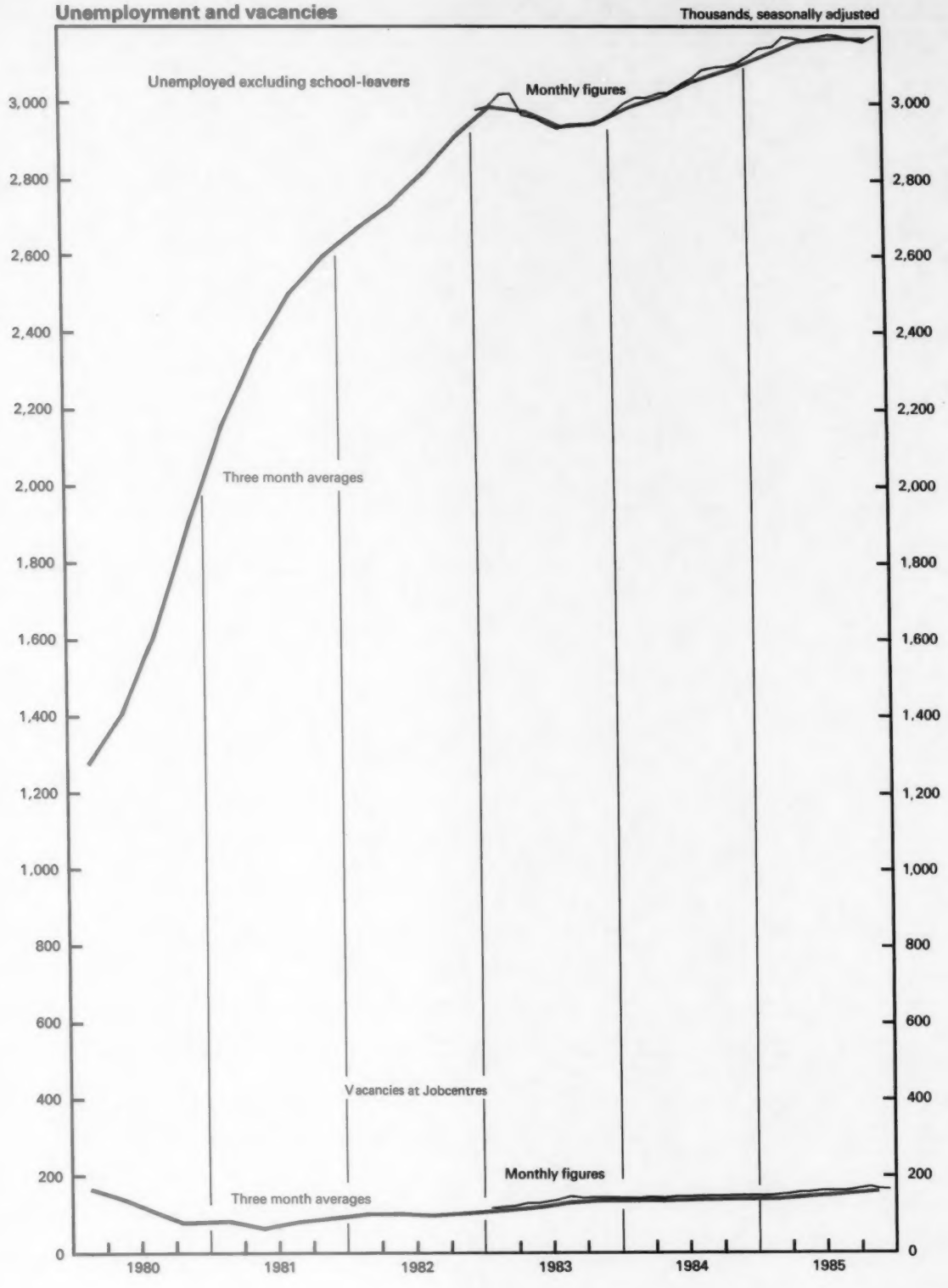
1 The ratios do not take into account part-time working or hours of work.
2 Industries are grouped according to the Standard Industrial Classification 1980.


Output per person employed
1980=100
seasonally adjusted
Whole economy
Gross domestic product
per person employed
Gross domestic product
(output based)
120
115
110
105
100
95
1981
1982
1983
1984
1985
1986
Manufacturing (Revised definition)
Output per
person employed
Output per
person hour
Monthly figures
Output
135
130
125
120
115
110
105
100
95
90

National employment and unemployment (1)

		Seasonally adjusted								Unadjusted
		United Kingdom						Great Britain Manufacturing industry		United Kingdom
		Thousands			Unemployed excluding school leavers		Thousands	1980=100		Thousands
		Working population(2,3,4)	Employed labour force(2,3)	Employees in employment(2,3)	Thousands(4)	Percentage of employees(4,5)	Vacancies at job centres+(6,7,8)	Employees in employment	Average hours worked per operative(9)	Total unemployed including school-leavers(4)
		FGAM	FGAN	FGAO	BCJD	BCJE	BCOM	FGAL	FGAF	BCJA
1980		26 869	25 284	22 950	1 487	6.1	..	101.1	100.0	1 664.9
1981		26 784	24 297	21 545	2 307	9.5	91.1	90.6	98.7	2 520.3
1982		26 745	23 887	21 373	2 669	11.0	113.8	86.0	100.5	2 916.9
1983		26 669	23 572	21 029	2 912	12.1	.. 137.3	81.7	101.5	3 104.7
1984		27 111	23 986	21 146	3 047	12.6	150.2	80.4	102.7	3 159.8
1985		27 515	24 222	21 276	3 167	13.1	162.0	79.8†	102.8†	3 271.2
		BCAI	FGAB	BCAJ			DPCB	FGAJ	FGAH	
1982	4	26 703	23 613	21 097	2 782.6	11.5	116.2	83.4	100.7	3 069.7
1983	1	26 687	23 541	21 012	2 845.9	11.8	123.5	82.4	101.0	3 199.0
	2	26 669	23 572	21 021†	2 912.2	12.1	132.6	81.7	101.5	3 067.7
	3	26 782	23 687	21 072	2 939.3	12.2	145.2	81.1	101.9	3 066.0
	4	26 865	23 814	21 140	2 950.1	12.3	148.0	80.9	102.4	3 085.9
1984	1	27 014	23 898	21 145	2 996.1	12.4	146.0	80.5	102.5†	3 176.3
	2	27 111	23 986	21 135	3 023.3	12.5	148.7	80.4	102.6	3 074.0
	3	27 245	24 033	21 174	3 068.8	12.7	152.1	80.2	102.5	3 166.7
	4	27 360	24 148	21 274	3 099.0	12.8	153.9	80.3	103.2	3 222.4
1985	1	27 423	24 183	21 269	3 138.6	13.0	153.6	79.9	102.9	3 310.8
	2	27 515	24 222	21 276	3 174.0	13.1	161.7	79.8	103.0	3 230.7
	3	27 438	24 250	21 273	3 179.3	13.1	164.4	79.6	102.9	3 273.9
	4				3 174.7	13.2	168.2	79.4†	103.1	3 269.6
1983	D	..	..	..	2 958.3	12.3	146.2	80.9	102.4	3 079.4
1984	J	..	..	..	2 975.3	12.3	146.0	80.8	102.6†	3 199.7
	F	..	..	..	2 999.4	12.4	145.2	80.6	102.7	3 186.4
	M	..	..	..	3 013.6	12.5	146.9	80.5	102.5	3 142.8
	A	..	..	..	3 012.0	12.5	144.5	80.4	102.5	3 107.7
	M	..	..	..	3 026.2	12.5	151.2	80.4	102.6	3 084.5
	J	..	..	..	3 031.8	12.5	150.4	80.4	102.6	3 029.7
	J	..	..	..	3 049.4	12.6	152.6	80.3	102.6	3 100.5
	A	..	..	..	3 066.3	12.7	150.0	80.1	102.5	3 115.9
	S	..	..	..	3 090.6	12.8	153.7	80.2	102.5	3 283.6
	O	..	..	..	3 093.6	12.8	154.0	80.3	102.9	3 225.1
	N	..	..	..	3 097.1	12.8	154.1	80.3	102.8	3 222.6
	D	..	..	..	3 106.4	12.8	153.5	80.3	103.2	3 219.4
1985	J	..	..	..	3 123.9	12.9	151.7	80.1	102.8	3 341.0
	F	..	..	..	3 144.0	13.0	153.1	80.0	102.9	3 323.7
	M	..	..	..	3 148.0	13.0	156.1	79.9	102.9	3 267.6
	A	..	..	..	3 176.2	13.1	161.0	79.8	101.9	3 272.6
	M	..	..	..	3 177.0	13.1	160.7	79.8	102.8	3 240.9
	J	..	..	..	3 168.9	13.1	163.4	79.8	103.0	3 178.6
	J	..	..	..	3 175.8	13.1	163.0	79.8	102.7	3 235.0
	A	..	..	..	3 182.9	13.2	162.9	79.6	102.8	3 240.4
	S	..	..	..	3 179.1	13.1	167.3	79.6	102.9	3 346.2
	O	..	..	..	3 173.3	13.1	172.6	79.5	102.8	3 276.9
	N	..	..	..	3 166.6	13.2	170.0	79.4	103.1	3 258.9
	D	..	..	..	3 184.3	13.2	162.1	79.4†	103.1	3 273.1
1986	J	..	..	..	3 205.3†	13.3†	159.7			3 407.7
	F	..	..	..	3 210.1	13.3	165.0			3 381.9

1 Unemployment figures do not include students registered for temporary employment during a current vacation.
2 The working population consists of the employed labour force and the unemployed (claimants); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment. Estimates of employees in employment up to June 1984 take account of the results of the 1983 and 1984 Labour Force Surveys. Estimates for later periods include an allowance for continued undercounting (see article on page 114 of June 1985 Employment Gazette).
3 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.
4 The seasonally adjusted unemployment series has been revised. Past seasonally adjusted figures (up to August 1983) are now adjusted for discontinuities, in particular for the effects of the 1983 Budget which means that certain older men, mainly aged over 60, no longer need to sign on at an unemployment benefit office. Details of the new series are described in an article in the July 1985 Employment Gazette.
5 The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).
6 The statistics of vacancy stocks were distorted in April and May 1985 because of a change in the Manpower Services Commission's Employment Division's arrangements. This led to an artificial increase in the April level, but the recorded stocks for May should be minimally affected.
7 There has been a change in the method of compiling vacancy statistics. See October issue of Employment Gazette for details.
8 This series excludes community programme vacancies.
9 The indices are based on SIC 1980 definition of manufacturing industry.


Unemployment and vacancies
Thousands, seasonally adjusted
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies at Jobcentres
Monthly figures
Three month averages
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
1980
1981
1982
1983
1984
1985

Regional unemployment rates (1)

Seasonally adjusted(2,3)

Per cent

		North	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands
		DPBH	DPBI	DPBJ	DPBK	DPBL	DPBM	DPBN
1980	2	8.6	5.7	4.6	4.2	3.4	5.1	5.6
	3	9.5	6.8	5.6	5.1	4.1	5.8	6.9
	4	10.7	8.1	6.8	6.1	4.9	6.8	8.5
1981	1	12.3	9.4	7.9	6.9	5.6	7.5	10.1
	2	13.0	10.2	8.6	7.6	6.3	8.3	11.2
	3	13.6	10.7	8.9	7.9	6.8	8.6	11.9
	4	14.1	11.1	9.2	8.2	7.2	9.0	12.5
1982	1	14.4	11.4	9.5	8.6	7.5	9.2	13.0
	2	14.7	11.7	9.7	8.7	7.7	9.4	13.2
	3	15.2	12.1	10.0	9.1	8.0	9.7	13.6
	4	15.5	12.5	10.3	9.6	8.3	9.9	14.0
1983	1	16.1	12.9	10.8	9.6	8.5	10.2	14.5
	2	16.6	13.1	11.1	9.7	8.7	10.4	14.8
	3	16.6	13.2	11.3	9.8	8.9	10.6	14.7
	4	16.7	13.1	11.3	9.8	9.0	10.7	14.6
1984	1	17.1	13.4	11.5	9.8	9.0	10.8	14.6
	2	17.4	13.6	11.7	9.8	9.1	10.9	14.7
	3	17.7	13.9	11.9	9.9	9.3	11.1	14.8
	4	17.9	14.0	12.1	9.9	9.4	11.4	14.9
1985	1	17.9	14.2	12.3	10.2	9.6	11.6	15.0
	2	18.1	14.4	12.3	10.4	9.7	11.7	14.9
	3	18.1	14.5	12.3	10.4	9.7	11.8	14.9
	4	18.1	14.6	12.3	10.6	9.7	11.8	14.9

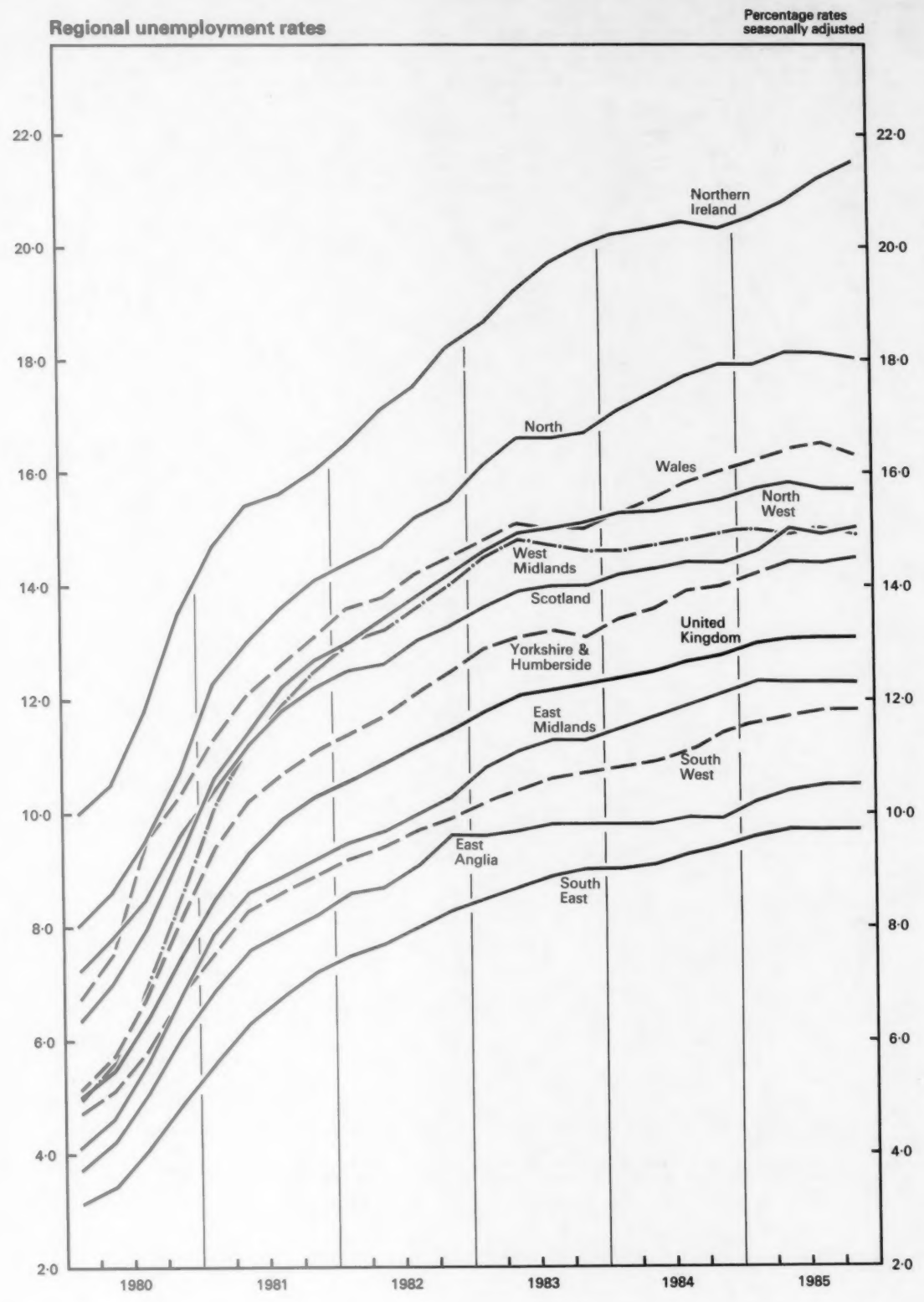
		North West	Wales	Scotland	Great Britain	Northern Ireland(4)	United Kingdom(4)
		DPBO	DPBP	DPBQ	DPAJ	DPBR	BCJE
1980	2	7.0	7.5	7.8	5.4	10.5	5.5
	3	8.0	8.8	8.5	6.3	11.8	6.4
	4	9.3	10.3	9.6	7.4	13.5	7.5
1981	1	10.6	11.3	10.4	8.4	14.7	8.5
	2	11.4	12.1	11.2	9.2	15.4	9.3
	3	12.2	12.6	11.6	9.7	15.6	9.9
	4	12.7	13.1	12.2	10.1	16.0	10.3
1982	1	13.0	13.6	12.5	10.5	16.5	10.6
	2	13.4	13.8	12.6	10.7	17.1	10.9
	3	13.8	14.2	13.0	11.0	17.5	11.2
	4	14.2	14.5	13.3	11.3	18.2	11.5
1983	1	14.6	14.8	13.6	11.7	18.6	11.8
	2	14.9	15.1	13.9	11.9	19.2	12.1
	3	15.0	15.0	14.0	12.0	19.7	12.2
	4	15.1	15.0	14.0	12.1	20.0	12.3
1984	1	15.3	15.3	14.2	12.2	20.2	12.4
	2	15.3	15.5	14.3	12.3	20.3	12.5
	3	15.4	15.8	14.4	12.5	20.4	12.7
	4	15.5	16.0	14.4	12.6	20.3	12.8
1985	1	15.7	16.2	14.6	12.8	20.5	13.0
	2	15.8	16.4	15.0	12.9	20.8	13.1
	3	15.7	16.4	14.9	12.9	21.2	13.1
	4	15.7	16.3	15.2	12.9	21.5	13.2

1 Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

2 The seasonally adjusted series have been revised as described in the December 1982 Employment Gazette. The series have been updated at March 1985 and revisions made back to January 1982 incorporating a few technical improvements.

3 See footnote 4 on page 36.

4 There was a discontinuity between the June and August 1985 figures for unemployed claimants in Northern Ireland. The monthly count is based on the Northern Ireland Department of Economic Development's computer records; a reconciliation with information on claims for benefit held in DHSS Social Security offices has shown some people included in the monthly who were no longer claiming benefit and some (a smaller number) who had not yet been included in the count even though they were claiming benefit. The net result was that the unadjusted July and August figures for Northern Ireland, were 5,700 and 5,150 less respectively than they would have been without the reconcilation. If the figures had continued to be recorded as in June and earlier months there would have been increases in unemployment of about 3,150 in July and 650 in August. To assist in the interpretation of current trends, the discontinuity has been taken into account in producing the seasonally adjusted estimates. For the time being this has been done by adding the effect back into the seasonally adjusted figures. In due course monthly estimates of the accumulating discrepancy since the present computer system was set up in October 1982 will be calculated and incorporated in a revised seasonally adjusted series, so that it is consistent with the more accurate coverage of the current unadjusted data.


Regional unemployment rates
Percentage rates seasonally adjusted
22·0
20·0
18·0
16·0
14·0
12·0
10·0
8·0
6·0
4·0
2·0
Northern Ireland
North
Wales
North West
West Midlands
Scotland
United Kingdom
Yorkshire & Humberside
East Midlands
South West
East Anglia
South East
1980
1981
1982
1983
1984
1985

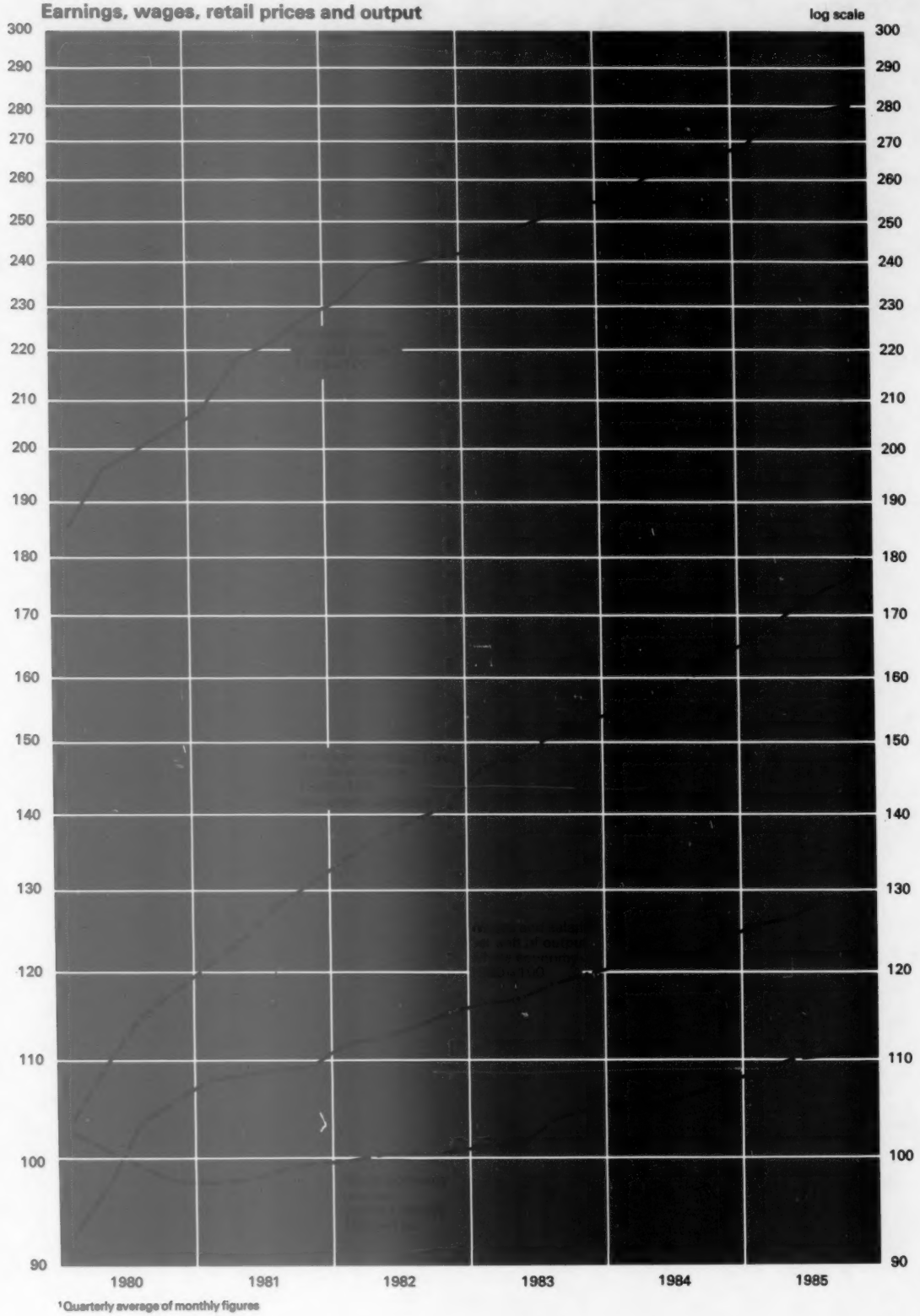
Average earnings

Seasonally adjusted

		January 1980 = 100								1980 = 100	
		Average earnings (GB)(1)								Wages and salaries per unit of output	
		Whole economy	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Production industries (3)	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Manufacturing industry(3)	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Whole economy(4)	Manufacturing industry
		DNAA	FIAJ		DNAE	FIAK		DNAC	FIAL		DJDQ	FIAH
1978		..	..		..	..		..	..		71.8†	71.1
1979		..	..		..	..		..	..		81.6	81.8
1980		111.4	..		109.4	..		109.1	..		100.0	100.0
1981		125.8	12.8		124.1	13.5		123.6	13.3		109.8	109.3
1982		137.6	9.4		138.2	11.4		137.4	11.2		115.9	114.7
1983		149.2	8.4		150.0	8.6		149.7	9.0		121.4	116.2
1984		158.3	6.1		158.5	5.7		162.8	8.7		126.3	120.1
1985		171.7†	8.5†		176.2†	11.2†		177.7†	9.2†		133.1	126.4†
		FIAI	FIAM		FIAN	FIAO		FIAP	FIAQ		DJDO	FIAR
1983	1	146.0	9.0		145.0	8.2		144.6	8.6		119.7†	114.7
	2	147.9	8.5		148.4	8.4		148.0	8.5		121.2	116.8
	3	150.4	8.2		151.4	8.7		150.9	9.0		121.4	115.8
	4	152.5	8.0		155.3	9.0		155.5	9.7		122.6	117.2
1984	1	154.9	6.1		155.8	7.4		158.3	9.5		123.7	118.3
	2	155.9	5.4		155.1	4.6		160.0	8.1		125.4	118.8
	3	159.1	5.8		159.2	5.1		164.2	8.8		126.2	119.9
	4	163.3	7.1		163.9	5.5		168.6	8.4		129.4	123.5†
1985	1	166.8	7.7		168.6	8.2		172.5	9.0		130.4	123.9
	2	170.2	9.2		174.8	12.7		176.1	10.1†		131.7	125.2
	3	173.9	9.3		179.1†	12.5		179.3†	9.2		134.4	127.4
	4	176.1†	7.8†		182.5	11.3†		182.8	8.4		135.5	129.0
		DNAB	FIAB	FIAC	DNAF	FIAD	FIAE	DNAD	FIAF	FIAG		DMBG
1983	M	148.6	8.7	7.50	148.4	8.4	8.50	148.2	8.6	8.50	..	116.1
	J	148.2	8.2	7.50	148.2	7.7	8.00	147.8	8.1	8.50	..	117.0
	J	150.3	7.7	7.50	150.0	8.3	8.50	149.7	8.6	8.75	..	114.3
	A	150.2	8.4	7.75	151.3	8.6	8.50	150.8	9.0	8.75	..	116.1
	S	150.7	8.5	7.75	153.0	9.1	9.00	152.4	9.4	9.25	..	117.1
	O	152.0	8.7	7.75	155.4	10.1	9.25	154.4	9.6	9.50	..	116.8
	N	152.1	7.3	7.75	154.7	8.3	9.25	155.6	9.9	9.75	..	118.1
	D	153.4	8.0	8.00	155.8	8.3	9.25	156.6	9.7	9.75	..	116.8
1984	J	154.7	7.1	7.75	156.0	7.9	9.00	157.0	9.0	9.50	..	116.9
	F	155.6	5.7	7.75	157.8	8.7	9.00	158.7	9.6	9.50	..	119.1
	M	154.4	5.5	7.75	153.7	5.8	9.00	159.2	9.8	9.50	..	118.8
	A	155.8	6.0	7.75	154.5	4.0	8.75	159.5	7.7	9.25	..	117.8
	M	156.0	5.0	7.75	154.7	4.2	8.75	159.5	7.6	9.25	..	118.8
	J	156.0	5.3	7.75	156.1	5.3	8.75	161.1	9.0	9.25	..	119.8
	J	158.2	5.3	7.50	157.6	5.1	8.50	162.9	8.8	9.00	..	119.6
	A	159.0	5.9	7.50	158.7	4.9	8.25	163.7	8.6	8.75	..	119.3†
	S	160.2	6.3	7.50	161.4	5.5	8.25	166.1	9.0	8.75	..	120.7
	O	164.5	8.2	7.50	163.6	5.3	8.00	166.3	9.0	8.50	..	124.0
	N	162.0	6.5	7.50	163.4	5.6	8.00	166.1	8.0	8.50	..	123.1
	D	163.5	6.6	7.50	164.7	5.7	8.00	169.5	8.2	8.50	..	123.3
1985	J	165.5	7.0	7.50	167.1	7.1	8.25	171.7	9.4	8.50	..	124.1
	F	166.5	7.0	7.50	167.6	6.2	8.25	172.0	8.4	8.50	..	124.0
	M	168.3	9.0	7.50	171.0	11.3	8.25	173.8	9.2	8.75	..	123.7
	A	170.8	9.5	7.50	175.5	13.6	8.25	177.6	11.3	8.75	..	126.4
	M	169.7	8.8	7.50	173.2	12.0	8.50	174.4	9.3	9.00	..	124.1
	J	170.2	9.1	7.50	175.6	12.5	8.50	176.2	9.4	9.00	..	125.1
	J	172.2	8.8	7.50	177.8	12.8	8.75	178.3	9.5	9.00	..	127.5
	A	173.1	8.9	7.50	177.8	12.0	8.75	178.1	8.8	9.00	..	125.9
	S	176.4	10.1	7.75	181.7	12.6	8.75	181.5	9.3	9.00	..	128.7
	O	174.3	6.0	7.50	180.8	10.5	8.75	180.9	7.5	8.75	..	128.6
	N	175.9	8.6	7.50	182.4	11.6	8.75	182.9	8.8	8.75	..	128.7
	D	178.1	8.9	7.50	184.2†	11.8†	8.75	184.7†	9.0†	8.75	..	129.7
1986	J	179.2†	8.3†	7.50†	185.7	11.1	8.75†	185.7	8.2	8.75†	..†	130.7

1 The seasonal adjustment factors currently used are based on data up to December 1982.
2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in Employment Gazette February 1986.
3 Revised definition.
4 The method for calculating whole economy unit wage costs has been revised. The output measure of GDP has replaced the income measure in the calculation, and an adjustment incorporated to cover the earnings of the self-employed. (See 'Employment Gazette', May 1986.)

Earnings, wages, retail prices and output

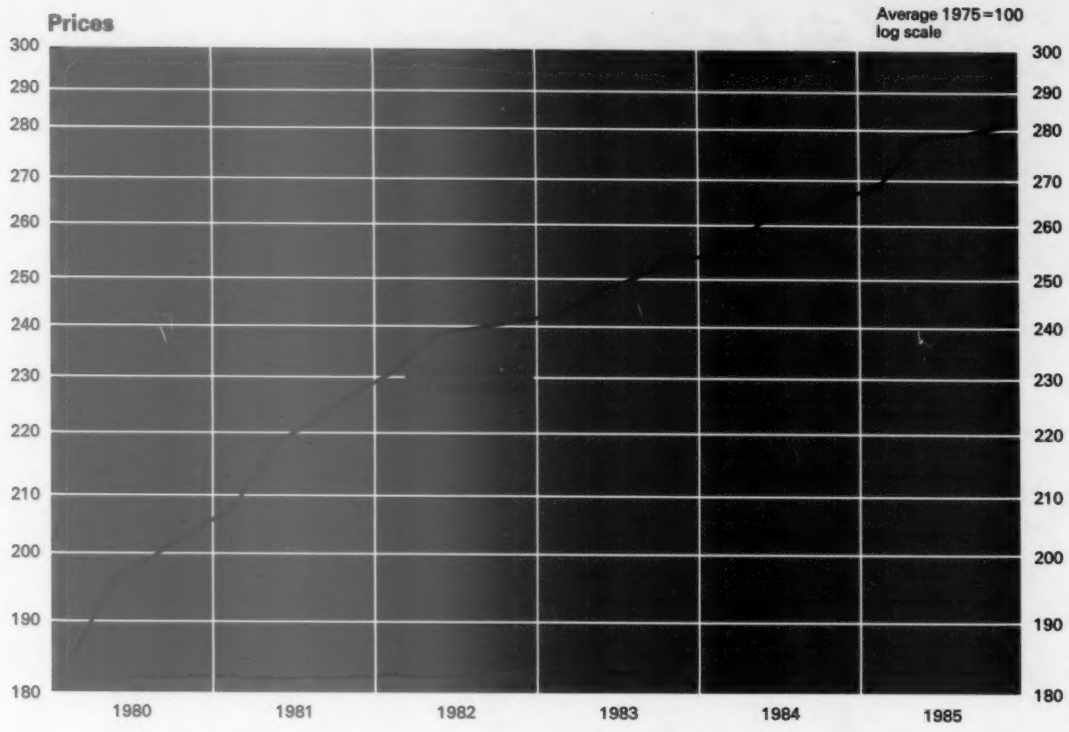


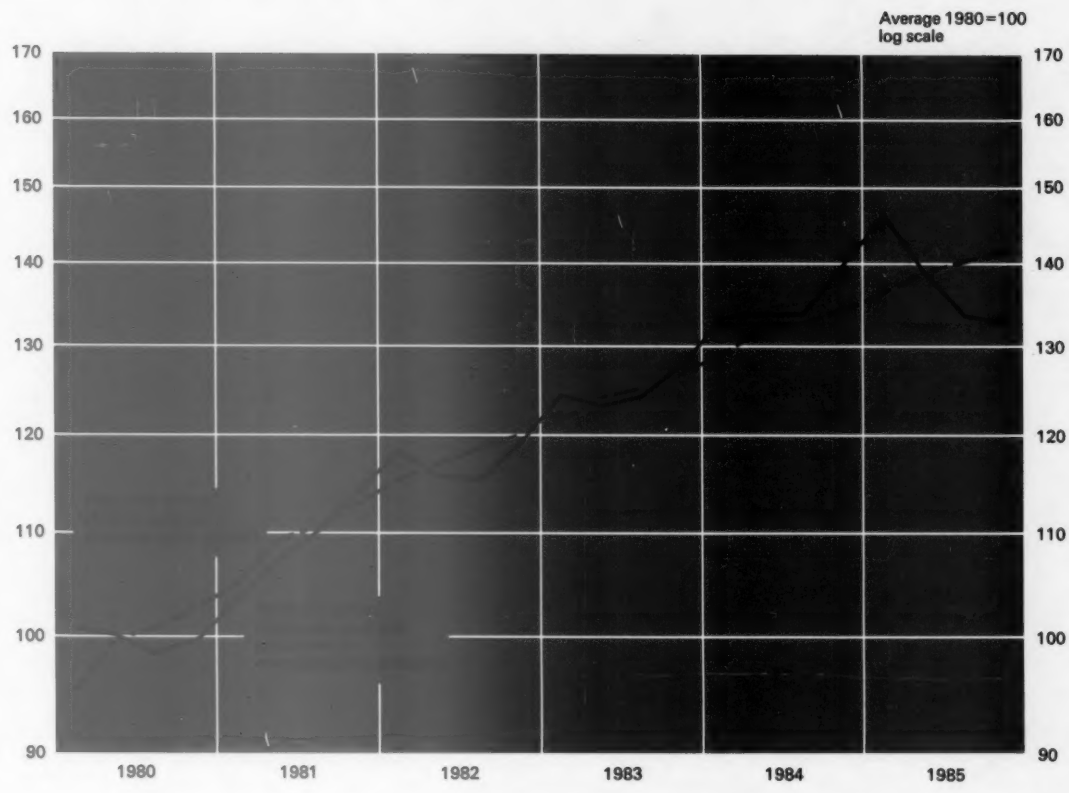
[1]Quarterly average of monthly figures

Prices

		Seasonally adjusted	Unadjusted									
		Average 1980=100		Average 1975=100(1)								Average 1980=100p
		Producer price index		General index of retail prices						Pensioner price index(2)		
		Materials and fuel purchased by manufacturing industry	Output All manufactured products Home sales	All items Index	All items Percentage increase on year earlier	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food Percentage increase on year earlier	One person household	Two person household	Purchasing power of the pound(3)
		DZDQ	DZCV	FJAC	FJAD	FJAE	FJAF	FJAG	FJAH	FJAI	FJAJ	FJAK
1977		78.9	72.0	135.0†	15.9	142.8	132.8	134.4	16.1	139.1	138.7	145
1978		81.6	79.1	146.2	8.3	152.9	144.3	146.4	9.0	150.4	149.8	134
1979		92.2	87.7	165.8	13.3	171.2	164.3	165.9	13.2	168.0	167.6	118
1980		100.0	100.0	195.6	18.1	191.9	196.5	196.3	18.5	195.7	194.5	100
1981		109.3	109.5	218.8	11.9	208.2	221.6	219.8	11.9	218.0	217.1	88
1982		117.2	118.0	237.6	8.7	224.5	241.1	238.4	8.5	238.3	236.8	82
1983		125.3	124.4	248.6	4.6	231.6	253.1	249.5	4.7	249.0	247.6	79
1984		135.5	132.1	260.9	5.0	244.6	265.2	261.4	4.7	261.4	260.3	75
1985		137.7	139.4	276.8	6.1	252.3	283.2	277.9	6.3	274.1	273.0	71
1981	4	114.9	112.8	227.3†	11.9	214.2	230.8	228.2	11.7	225.6	225.1	86
1982	1	116.1	115.7	231.1	11.1	223.3	233.1	231.2	10.7	232.7	231.6	85
	2	115.8	117.5	238.5	9.4	228.1	241.3	238.2	8.9	238.8	237.3	82
	3	117.4	118.7	239.6	8.0	222.8	244.0	240.9	8.0	239.3	237.6	82
	4	119.7	120.1	241.3	6.2	223.9	246.0	243.1	6.5	242.5	240.8	81
1983	1	122.2	121.8	242.6	4.9	226.6	246.8	244.0	5.5	245.3	243.3	81
	2	123.6	124.2	247.5	3.8	229.8	252.2	248.6	4.4	247.6	246.3	79
	3	126.7	125.1	250.7	4.6	232.8	255.5	251.6	4.4	249.6	248.4	78
	4	128.7	126.8	253.5	5.0	237.3	257.7	253.9	4.4	253.6	252.4	77
1984	1	131.0	129.0	255.1	5.1	241.3	258.7	255.2	4.6	256.8	255.4	77
	2	134.1	132.6	260.3	5.1	246.9	263.8	260.0	4.6	261.9	261.1	75
	3	136.3	132.8	262.5	4.7	245.1	267.2	263.3	4.6	262.1	261.0	74
	4	140.6	134.5	265.8	4.8	245.2	271.2	267.0	5.2	264.8	263.8	74
1985	1	143.7	136.6	269.2	5.5	249.7	274.3	270.0	5.8	269.0	268.0	73
	2	138.7	139.4	278.4	7.0	254.6	284.6	279.0	7.3	275.1	274.1	70
	3	135.4	140.2	279.1	6.3	251.6	286.4	280.7	6.6	275.0	273.9	70
	4	133.0	141.4	280.5	5.5	253.1	287.7	281.9	5.6	277.4	276.2	70
1984	F	130.9	128.8	255.2	5.1	241.1	258.9	255.2	4.5	..	..	77
	M	131.5	130.3	256.0	5.2	242.9	259.4	256.0	4.7	..	..	76
	A	133.2	131.7	259.4	5.2	245.5	263.0	259.1	4.6	..	..	75
	M	134.3	132.1	260.4	5.1	247.1	263.9	260.0	4.5	..	..	75
	J	134.9	132.2	261.0†	5.1	248.0	264.4	260.9	4.7	..	..	75
	J	135.7	132.5	260.7	4.5	246.4	264.6	261.1	4.1	..	..	75
	A	135.7	132.6	263.2	5.0	245.2	267.9	263.9	4.8	..	..	74
	S	137.6	133.2	263.7	4.7	243.7	269.0	264.9	5.0	..	..	74
	O	140.3	134.0	265.3	5.0	244.7	270.8	266.5	5.2	..	..	74
	N	140.3	134.5	266.1	4.9	245.0	271.7	267.4	5.3	..	..	73
	D	141.2	134.9	265.9	4.6	245.8	271.2	267.2	5.0	..	..	74
1985	J	142.6	135.8	266.9	5.0	248.0	271.8	267.8	5.3	..	..	73
	F	144.4	136.6	269.0	5.4	249.4	274.2	269.9	5.8	..	..	73
	M	144.2	137.5	271.6	6.1	251.8	276.9	272.2	6.4	..	..	72
	A	140.1	139.1	277.3	6.9	254.2	283.4	277.9	7.3	..	..	71
	M	138.6	139.5	278.6	7.0	254.5	284.9	279.3	7.4	..	..	70
	J	137.4	139.6	279.2	7.0	255.1	285.5	279.9	7.3	..	..	70
	J	135.6	139.9	278.7	6.9	251.5	285.8	280.2	7.3	..	..	70
	A	135.4	140.1	279.4	6.2	251.5	286.8	281.1	6.5	..	..	70
	S	135.1	140.5	279.3	5.9	251.9	286.5	280.9	6.0	..	..	70
	O	133.6	140.8	279.7	5.4	251.7	287.1	281.3	5.6	..	..	70
	N	133.1	141.5	280.7	5.5	253.1	287.9	282.1	5.5	..	..	70
	D	132.2	141.9†	281.0	5.7	254.6	288.0	282.2	5.6	..	..	70
1986	J	131.9	142.8	281.6	5.5	255.9	288.4	282.7	5.6	..	..	69
	F	130.3	143.4	282.7	5.1†	257.8†	289.3†	283.7†	5.1†	..	..	69†

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 All items except housing.
3 Movements in the purchasing power of the pound are based on movements in the general index of retail prices.

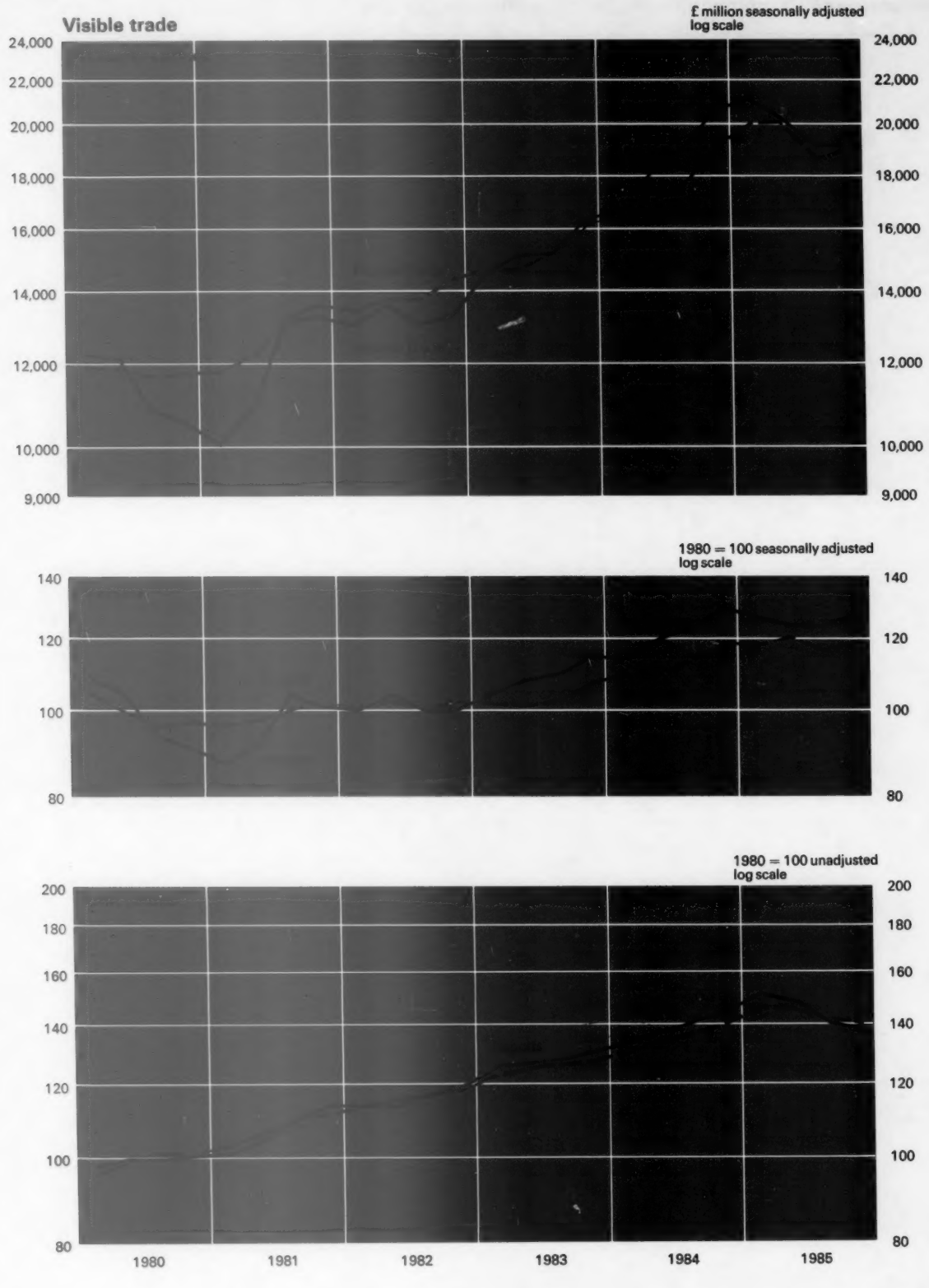

Prices
Average 1975=100
log scale
300
290
280
270
260
250
240
230
220
210
200
190
180
1980
1981
1982
1983
1984
1985


Average 1980=100
log scale
170
160
150
140
130
120
110
100
90
1980
1981
1982
1983
1984
1985

Visible trade

		Seasonally adjusted		Unadjusted		
		1980=100		1980=100		
		Volume indices(1)		Unit value indices(1)		
		Exports	Imports	Exports	Imports	Terms of trade(2)
		CGTK	CGTM	CGTJ	CGTL	CGTN
1975		77.8	84.7	50.9	58.0	87.6
1976		85.4	89.6	60.8	70.9	85.7
1977		92.1	91.3	72.0	82.1	87.7
1978		94.5	95.5	79.1	85.2	92.7
1979		99.1	105.7	87.6	90.9	96.4
1980		100.0	100.0	100.0	100.0	100.0
1981		99.3	96.3	108.8	108.2	100.5
1982		101.9	101.5	116.2	116.7	99.6
1983		103.8	109.7	125.7	127.5	98.6
1984		112.5†	121.9†	136.0	139.7†	97.4†
1985		118.6	125.7	143.5†	145.2	98.8
		CGTR	CGTS	CGTO	CGTP	CGTQ
1982	4	103.3	100.5	119.0	120.0	99.2
1983	1	102.1†	105.6†	123.0	125.1	98.3
	2	101.3	108.0	124.9	126.7	98.5
	3	103.7	110.0	126.9	127.7	99.4
	4	107.9	115.1	128.2	130.4	98.3
1984	1	109.5	113.9	131.4†	133.9†	98.2
	2	109.1	120.2	134.3	137.6	97.5†
	3	112.6	123.3	137.1	141.4	96.9
	4	118.7	130.1	141.3	145.8	96.9
1985	1	118.6	126.6	146.4	152.3	96.1
	2	120.5	124.8	145.5	148.8	97.8
	3	116.3	124.1	141.7	141.4	100.2
	4	118.9	127.4	140.5	138.3	101.6
1983	F	101.1†	106.3†	123.0	125.3	98.2
	M	106.6	103.8	123.9	127.1	97.5
	A	99.1	104.4	125.3	127.6	98.2
	M	100.2	111.9	124.5	127.0	98.1
	J	104.7	107.7	124.8	125.6	99.4
	J	100.5	110.2	125.8	126.7	99.3
	A	103.6	109.9	127.2	127.9	99.4
	S	107.1	109.8	127.7	128.4	99.5
	O	104.1	118.0	127.4	129.8	98.1
	N	105.6	112.3	128.0	130.3	98.2
	D	114.0	115.0	129.3	131.2	98.5
1984	J	103.9	112.7	131.2†	133.0†	98.7†
	F	113.5	112.1	131.6	134.3	98.0
	M	111.0	117.0	131.5	134.4	97.8
	A	105.3	119.9	133.1	137.1	97.1
	M	109.8	121.5	134.2	138.0	97.2
	J	112.3	119.3	135.5	137.8	98.3
	J	107.7	113.7	135.3	140.0	96.6
	A	115.6	127.3	138.0	141.5	97.6
	S	114.6	128.8	137.9	142.9	96.5
	O	117.1	134.7	140.3	144.5	97.1
	N	119.3	125.8	141.2	146.2	96.6
	D	119.8	129.8	142.4	146.8	97.0
1985	J	118.3	122.1	143.8	149.0	96.5
	F	119.8	126.7	146.6	153.2	95.7
	M	117.8	131.2	148.7	154.7	96.1
	A	122.0	127.4	147.1	151.9	96.8
	M	121.8	122.2	145.3	148.3	98.0
	J	117.9	124.7	144.0	146.1	98.6
	J	117.9	126.1	142.2	143.5	99.1
	A	114.4	122.7	141.4	140.3	100.8
	S	118.7	123.6	141.4	140.5	100.6
	O	118.8	125.0	140.5	139.1	101.0
	N	118.5	129.6	140.4	137.6	102.1
	D	119.4	127.8	140.5	138.2	101.7
1986	J	118.1	119.9	140.8	138.4	101.7

1 On a balance of payments basis.
2 Unit value index for exports expressed as a percentage of unit value index for imports.


Visible trade
£ million seasonally adjusted
log scale
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
9,000
1980 = 100 seasonally adjusted
log scale
140
120
100
80
1980 = 100 unadjusted
log scale
200
180
160
140
120
100
80
1980
1981
1982
1983
1984
1985

Measures of UK competitiveness in trade in manufactures

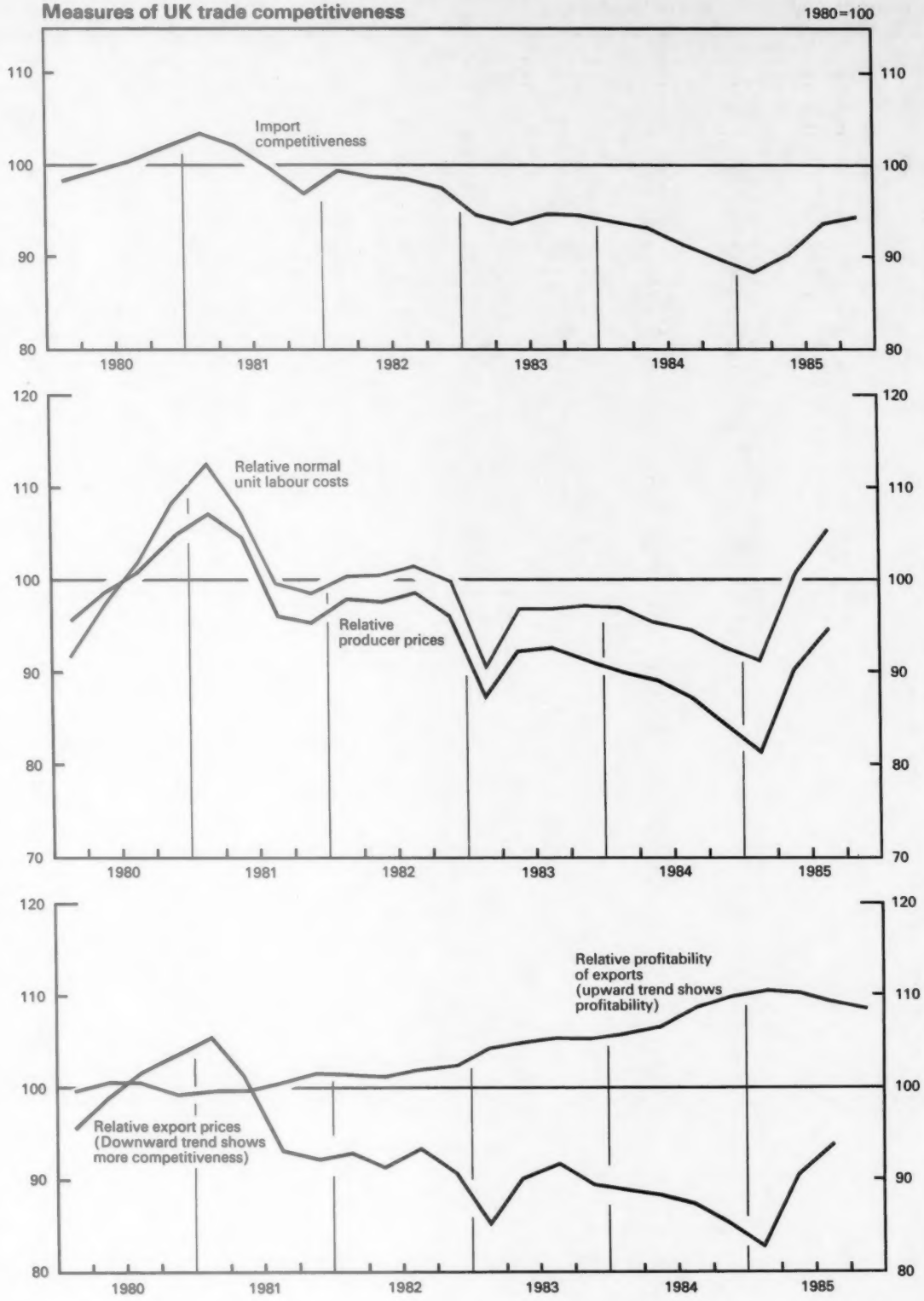
1980 = 100

		Summary measures(1)						Export unit value index(2)				
		Relative export prices(3)	Relative producer prices(3)	IMF index of relative unit labour costs(2) Actual	IMF index of relative unit labour costs(2) Normalised	Import price competitiveness(4)	Relative profitability of exports(4)	United Kingdom	United States	Japan	France	Federal Republic of Germany
		FLBA	FLBB	FLBC	FLBD	FLBE	FLBF	FLBG	FLBH	FLBI	FLBJ	FLBK
1982		92.2	97.7	93.2	100.5	98.5	101.8	85.9	118	101	83	85
1983		85.2	91.0	84.8	95.4	94.3	105.0	81.0	120	97	79	82
1984		87.7†	87.7	83.6	94.9	92.0†	107.8†	77.1†	121	98	78	74
1985						91.7	109.7	79.6	124†			
		FLAA	FLAB	FLAC	FLAD	FLAE	FLAF	FLAG	FLAH	FLAI	FLAJ	FLAK
1983	4	89.6	91.3	85.8	97.1	94.5	105.3	80.0	120	99	77	78
1984	1	89.0†	90.1	84.9	97.0	93.8†	106.0†	80.0†	121	100	79	77
	2	88.5	89.2	83.4	95.3	93.1	106.6	79.5	121	100	81	76
	3	87.7	87.2	83.7	94.6	91.3	108.7	76.1	121	96	77	72
	4	85.5	84.4	82.2	92.8	89.9	109.8	72.8	122	94	75	70
1985	1	83.1	81.6	78.6	91.3	88.4	110.5	68.7	124	91	71	67
	2	90.8	90.5	87.0	100.4	90.2	110.3	77.8	124	93	77	71
	3	94.1	95.0	91.4	105.4	93.7	109.4	84.5	124	95†	84†	78†
	4					94.3	108.7	87.6	124†			
		Percentage change, quarter on corresponding quarter of previous year										
1983	4	-1.4	-5.0	-6.1	-2.8	-3.0	+2.8	-3.2	+1	+4	-4	-6
1984	1	+4.6	+3.1	+5.2	+6.9	-0.7	+1.5	+0.4	-	+2	-5	-10
	2	-2.0	-3.5	-3.6	-1.4	-0.5	+1.5	-3.8	+1	+3	+3	-10
	3	-4.5	-6.0	-2.9	-2.5	-3.6	+3.0	-6.7	+1	+1	-	-9
	4	-4.3	-7.5	-4.2	-4.4	-4.9	+4.3	-9.0	+2	-5	-3	-10
1985	1	-6.7	-9.4	-7.4	-5.9	-5.8	+4.2	-14.0	+2	-9	-10	-13
	2	+2.6	+1.5	+4.3	+5.4	-3.1	+3.5	-2.2	+2	-7	-5	-7
	3	+7.3	+8.9	+9.2	+11.4	+2.6	+0.6	+11.1	+2	-1	+9	+8
	4					+4.9	-1.0	+20.3	+2			

		Producer price index(2)					Unit labour costs index(2)				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom(5)	United States(6)	Japan	France	Federal Republic of Germany
		FLBL	FLBM	FLBN	FLBO	FLBP	FLBQ	FLBR	FLBS	FLBT	FLBU
1982		88.7	111.9	92.7	81.1	85.5	86	115	102	80	82
1983		81.1	113.0	95.5	76.2	82.5	76	112	107	74	77
1984		75.8	115.8	95.5	71.4	76.2	69	111	103	66	69
1985							70				
		FLAL	FLAM	FLAN	FLAO	FLAP	FLAQ	FLAR	FLAS	FLAT	FLAU
1984	1	79.5	115.2	97.9	73.1	79.3	73	108	107	69	73
	2	79.2	116.1	98.5	74.3	79.7	71	108	107	70	72
	3	74.0	116.0	93.4	70.0	74.3	67	107	100	63	66
	4	70.3	116.1	92.4	68.2	71.6	65	109	98	62	63
1985	1	65.5	116.1	88.4	65.3	67.8	60	110	98	59	60
	2	75.3	116.5	90.2	70.3	71.8	68	110	97	62	63
	3	82.9	116.1	93.8	76.6	77.8	75	109	102	67	68
	4						79				
		Percentage change, quarter on corresponding quarter of previous year									
1984	1	-0.8	+2.7	+1.2	-9.9	-8.5	-3	-4	-3	-14	-10
	2	-4.6	+3.4	+3.2	-3.3	-5.4	-9	-3	-1	-7	-8
	3	-8.8	+2.2	-	-5.0	-7.0	-11	-1	-5	-12	-12
	4	-12.3	+1.7	-4.2	-6.6	-9.7	-13	-	-8	-12	-13
1985	1	-17.6	+0.8	-9.7	-10.8	-14.5	-19	+2	-10	-14	-19
	2	-4.9	+0.3	-8.4	-5.3	-9.9	-5	+2	-9	-12	-13
	3	+11.9	+0.1	+0.5	+9.3	+4.7	+13	+2	+2	+6	+2
	4						+23				

1 The summary measures of competitiveness were described in Economic Trends No 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in Economic Trends No 319, May 1980 - see footnote 3.
2 All the indices are in terms of US dollars.
3 Figures are now base weighted using 1980 export data. Downwards movements indicate greater competitiveness.
4 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
5 See footnote 3 on page 40.
6 Series in course of revision: annual figures not consistent with monthly averages.

Measures of UK trade competitiveness

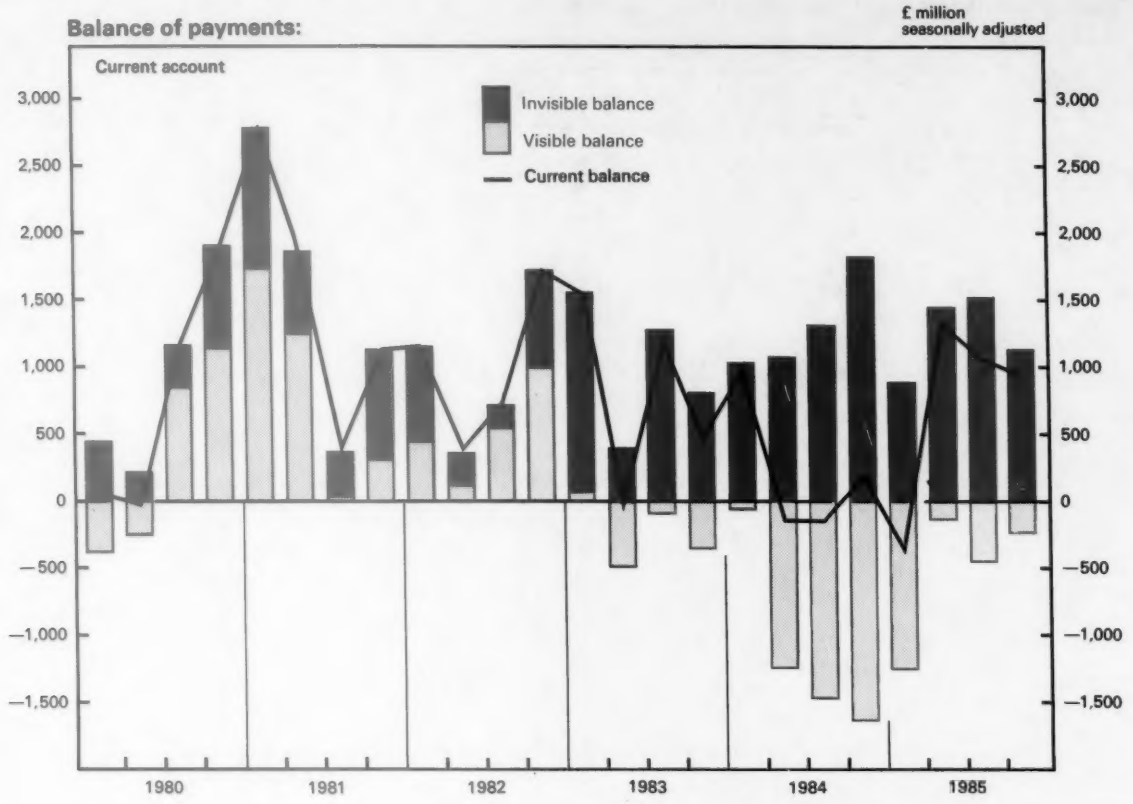


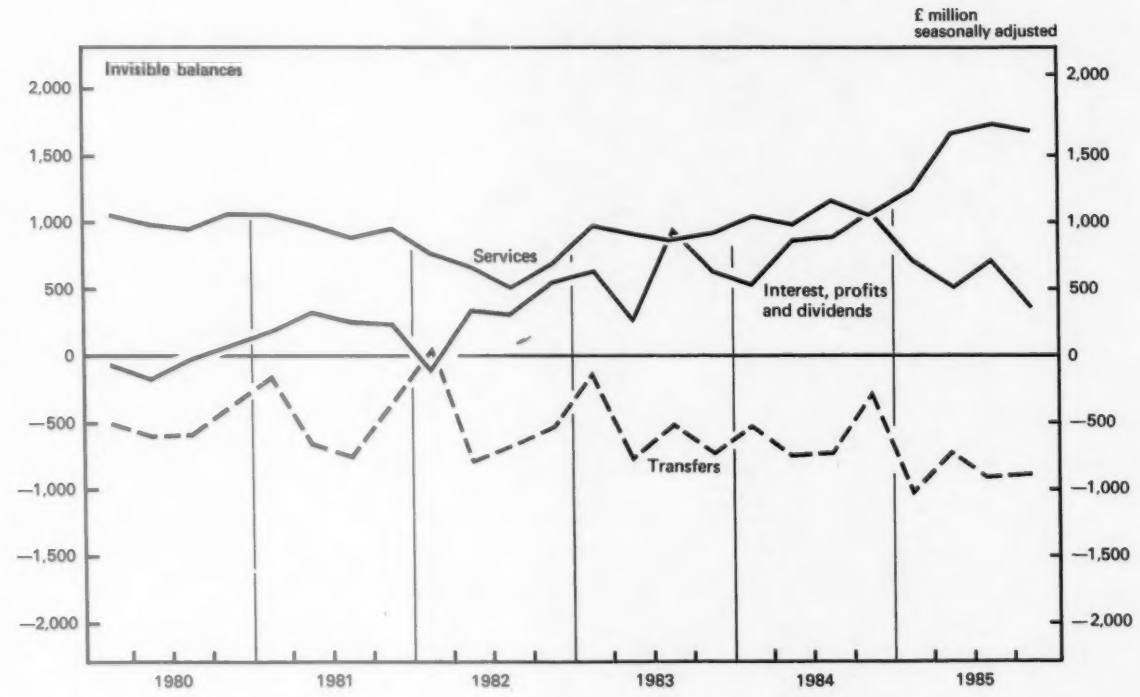
Balance of payments: current account

£ million, seasonally adjusted

		Visible trade			Invisibles						
							Balances				
		Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
		CGJP	CGGL	HCHL	CGJY	CGGY	CGIK	CGIN	CGOA	CGIO	AIMG
1975		19 330	22 663	-3 333	15 001	13 250	1 751	1 336	890	-475	-1 582
1976		25 191	29 120	-3 929	19 194	16 178	3 016	2 245	1 557	-786	-913
1977		31 728	34 012	-2 284	21 333	19 177	2 156	3 038	246	-1 128	-128
1978		35 063	36 605	-1 542	24 855	22 341	2 514	3 478	827	-1 791	972
1979		40 687	44 136	-3 449	33 213	30 500	2 713	3 804	1 188	-2 279	-736
1980		47 422	48 061	1 381	41 005	39 286	1 739	4 036	-219	-2 078	3 100
1981		50 977	47 617	3 360	56 665	53 799†	2 866†	3 870	948†	-1 952	6 226†
1982		55 565	53 234	2 331	64 680†	62 978	1 702	2 645	1 058	-2 001	4 033
1983		60 776	61 611	-835	65 225	61 226	3 999	3 671	2 468	-2 140	3 164
1984		70 367†	74 758†	-4 391†	76 491	71 221	5 270	4 225†	3 342	-2 297†	879
1985		78 072	80 140	-2 068	80 027	75 007	5 020	6 291	2 294	-3 565	2 952
		CGKG	CGHK	AIMA	CGKR	CGHT	AIMB	AIMC	AIMD	AIME	AIMF
1981	1	11 843	10 105	1 738	12 139	11 078†	1 061†	1 052	172†	-163	2 799†
	2	12 274	11 006	1 268	12 905	12 287	618	980	311	-673	1 886
	3	13 236	13 203	33	14 976	14 616	360	886	235	-761	393
	4	13 624	13 303	321	16 645	15 818	827	952	230	-355	1 148
1982	1	13 481	13 039	442	15 937†	15 205	732	776	-104	60	1 174
	2	13 857	13 660	197	16 057	15 863	194	673	328	-807	391
	3	13 803	13 182	621	16 021	15 909	112	505	302	-695	733
	4	14 424	13 353	1 071	16 665	16 001	664	691	532	-559	1 735
1983	1	14 682†	14 613†	69†	17 381	15 886	1 495	975†	642	-122	1 564
	2	14 745	15 210	-465	15 406	15 003	403	919	267	-783	-62
	3	15 290	15 376	-86	15 987	14 691	1 296	869	936	-509	1 210
	4	16 059	16 412	-353	16 451	15 646	805	908	623	-726	452
1984	1	16 673	16 738	-65	17 533	16 488	1 045	1 041	529	-525†	980
	2	16 860	18 100	-1 240	17 921	16 824	1 097	982	862	-748	-143
	3	17 649	19 112	-1 463	19 483	18 178	1 305	1 145	891	-731	-158
	4	19 185	20 808	-1 623	21 554	19 731	1 823	1 056	1 080	-293	200
1985	1	20 070	21 336	-1 266	21 394	20 502	892	1 220	712	-1 040	-374
	2	20 237	20 361	-124	20 163	18 706	1 457	1 662	501	-706	1 333
	3	18 748	19 201	-453	19 356	17 831	1 525	1 729	715	-919	1 072
	4	19 017	19 242	-225	19 114	17 968	1 146	1 680	366	-900	921
		FFBE	FFBF	AIMM			AIMN(1)				AIMO
1984	F	5 797	5 466	331	..	..	343	..	..	..	674
	M	5 614	5 784	-170	..	..	343	..	..	..	173
	A	5 369	5 963	-594	..	..	369	..	..	..	-225
	M	5 645	6 151	-507	..	..	369	..	..	..	-138
	J	5 846	5 985	-139	..	..	369	..	..	..	230
	J	5 553	5 787	-235	..	..	438	..	..	..	203
	A	6 089	6 619	-530	..	..	438	..	..	..	-92
	S	6 007	6 705	-698	..	..	438	..	..	..	-260
	O	6 248	7 123	-874	..	..	943	..	..	..	69
	N	6 417	6 732	-315	..	..	414	..	..	..	99
	D	6 520	6 954	-434	..	..	415	..	..	..	-19
1985	J	6 589	6 689	-100	..	..	288	..	..	..	188
	F	6 736	7 147	-412	..	..	272	..	..	..	-140
	M	6 745	7 500	-755	..	..	315	..	..	..	-440
	A	6 929	7 045	-116	..	..	552	..	..	..	436
	M	6 811	6 651	161	..	..	553	..	..	..	714
	J	6 496	6 665	-169	..	..	552	..	..	..	383
	J	6 401	6 600	-199	..	..	568	..	..	..	369
	A	6 105	6 272	-167	..	..	569	..	..	..	402
	S	6 242	6 328	-87	..	..	568	..	..	..	481
	O	6 329	6 323	7	..	..	400	..	..	..	407
	N	6 301	6 515	-214	..	..	400	..	..	..	186
	D	6 387	6 405	-18	..	..	566	..	..	..	548
1986	J	6 255	6 116	140	..	..	1 000	..	..	..	1 140
	F	6 186†	6 524†	-338†	..	..	600†	..	..	..	262†

1 One third of the appropriate calendar quarter's estimate except for European Community budget refunds which are allocated to the month in which they are received. Later figures are one third of a quarterly projection plus any European Community budget refund received in the month.

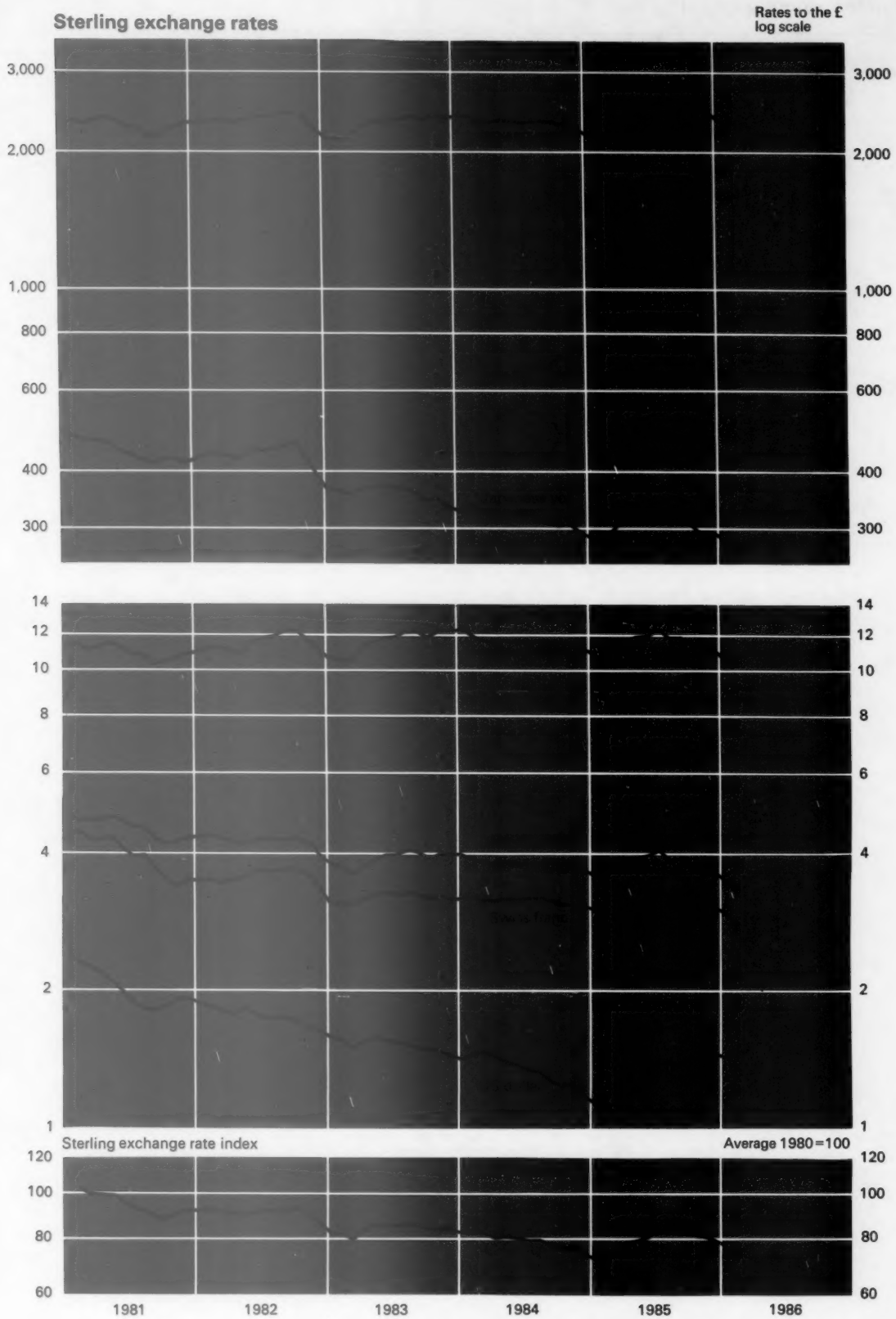

Balance of payments:
£ million
seasonally adjusted
Current account
Invisible balance
Visible balance
Current balance
3,000
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
1980
1981
1982
1983
1984
1985


£ million
seasonally adjusted
Invisible balances
Services
Interest, profits
and dividends
Transfers
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
1980
1981
1982
1983
1984
1985

Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies(1)						$ million	Average 1975=100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves(2) at end of period	Sterling exchange rate index
		AJED	AJEA	AJED	AJEE	AJEF	AJEH	AIPI	AJHU
1977		467.7	1.745	4.189	8.57	1 540	4.050	20 557	81.2
1978		402.7	1.920	3.423	8.64	1 628	3.851	15 694	81.5
1979		465.5	2.123	3.527	9.03	1 762	3.887	22 538	87.3
1980		525.6	2.328	3.894	9.83	1 992	4.227	27 476	96.1
1981		444.6	2.025	3.969	10.94	2 287	4.556	23 347	95.3
1982		435.2	1.749	3.547	11.48	2 364	4.243	16 997	90.7
1983		359.9	1.516	3.182	11.55	2 302	3.870	17 817	83.3
1984		316.8	1.336	3.130	11.63	2 339	3.791	15 694	78.8
1985		307.1	1.298	3.155	11.55	2 463	3.784	15 543	78.7
		FFCA	FFCB	FFCC	FFCD	FFCE	FFCF		FFCG
1982	2	434.3	1.779	3.548	11.18	2 350	4.232	17 703	90.3
	3	446.4	1.725	3.644	11.98	2 404	4.280	18 299	91.5
	4	428.2	1.650	3.532	11.68	2 369	4.129	16 997	89.1
1983	1	360.5	1.530	3.085	10.54	2 143	3.684	17 337	80.5
	2	369.2	1.555	3.227	11.62	2 298	3.867	17 711	84.3
	3	363.8	1.509	3.242	12.02	2 376	3.990	17 902	84.9
	4	344.3	1.471	3.174	12.00	2 387	3.936	17 817	83.2
1984	1	331.1	1.435	3.156	11.90	2 384	3.874	16 749	81.7
	2	320.7	1.396	3.136	11.62	2 339	3.784	15 505	79.8
	3	316.2	1.299	3.167	11.62	2 333	3.786	15 260	78.0
	4	299.4	1.218	3.061	11.39	2 300	3.717	15 694	75.1
1985	1	287.1	1.115	3.065	11.09	2 254	3.628	13 528	72.1
	2	315.2	1.258	3.255	11.83	2 475	3.878	14 318	78.9
	3	327.9	1.375	3.231	11.94	2 603	3.917	14 176	82.1
	4	297.3	1.436	3.064	11.32	2 513	3.710	15 543	79.8
		AJFD	AJFA	AJFD	AJFE	AJFF	AJFH		AJHT
1983	A	366.2	1.541	3.168	11.28	2 239	3.762	17 654	82.8
	M	369.2	1.573	3.236	11.67	2 308	3.879	17 922	84.9
	J	371.8	1.549	3.271	11.87	2 340	3.948	17 711	85.2
	J	367.3	1.528	3.235	11.89	2 340	3.954	17 938	84.8
	A	367.0	1.502	3.250	12.08	2 386	4.015	18 009	85.1
	S	363.3	1.498	3.242	12.08	2 400	3.998	17 902	84.8
	O	348.6	1.497	3.160	11.90	2 368	3.896	18 102	83.4
	N	347.3	1.478	3.206	12.06	2 401	3.965	18 099	83.7
	D	336.4	1.435	3.153	12.02	2 391	3.944	17 817	82.5
1984	J	329.2	1.408	3.167	12.10	2 403	3.958	17 773	81.9
	F	336.4	1.440	3.177	11.97	2 402	3.889	17 983	82.2
	M	327.8	1.457	3.127	11.65	2 350	3.781	16 749	81.0
	A	320.3	1.424	3.114	11.56	2 327	3.760	15 941	79.9
	M	320.3	1.389	3.149	11.71	2 357	3.819	15 835	80.0
	J	321.5	1.377	3.142	11.59	2 333	3.772	15 505	79.4
	J	320.8	1.321	3.181	11.55	2 311	3.761	15 374	78.4
	A	318.3	1.314	3.176	11.64	2 338	3.791	15 347	78.4
	S	306.8	1.259	3.142	11.69	2 352	3.808	15 260	77.3
	O	301.1	1.220	3.079	11.48	2 317	3.744	15 353	75.6
	N	302.2	1.242	3.061	11.40	2 309	3.714	15 486	75.7
	D	294.3	1.187	3.040	11.29	2 270	3.689	15 694	74.0
1985	J	286.8	1.129	2.999	10.95	2 199	3.577	15 521	71.5
	F	284.7	1.093	3.064	11.02	2 229	3.608	15 353	71.3
	M	289.8	1.123	3.146	11.31	2 336	3.701	13 528	73.4
	A	312.3	1.242	3.210	11.69	2 446	3.830	14 025	78.0
	M	314.6	1.250	3.264	11.84	2 476	3.882	13 978	78.8
	J	318.7	1.281	3.292	11.96	2 502	3.923	14 318	79.9
	J	332.6	1.378	3.323	12.21	2 620	4.014	14 256	83.3
	A	328.4	1.383	3.185	11.81	2 591	3.865	14 256	81.7
	S	322.8	1.365	3.185	11.81	2 597	3.871	14 176	81.4
	O	305.2	1.422	3.082	11.46	2 537	3.758	16 310	80.4
	N	293.6	1.440	3.066	11.38	2 523	3.734	15 976	80.0
	D	293.2	1.446	3.043	11.11	2 478	3.632	15 543	79.1
1986	J	284.7	1.423	2.941	10.66	2 368	3.473	15 580	76.6
	F	283.8†	1.430†	2.792†	10.23†	2 269†	3.335†	15 810†	74.2†

1 Average of daily Telegraphic Transfer rates in London.
2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. From end-March 1979 these rates are revised annually. These valuation changes are described in detail in the footnotes of Table 19 of the quarterly balance of payments articles in the March, June, September and December issues of Economic Trends. At end-March 1985 the valuation change reduced the level of reserves by $2111 million. The effect of changes in earlier years are given in earlier editions of this table.

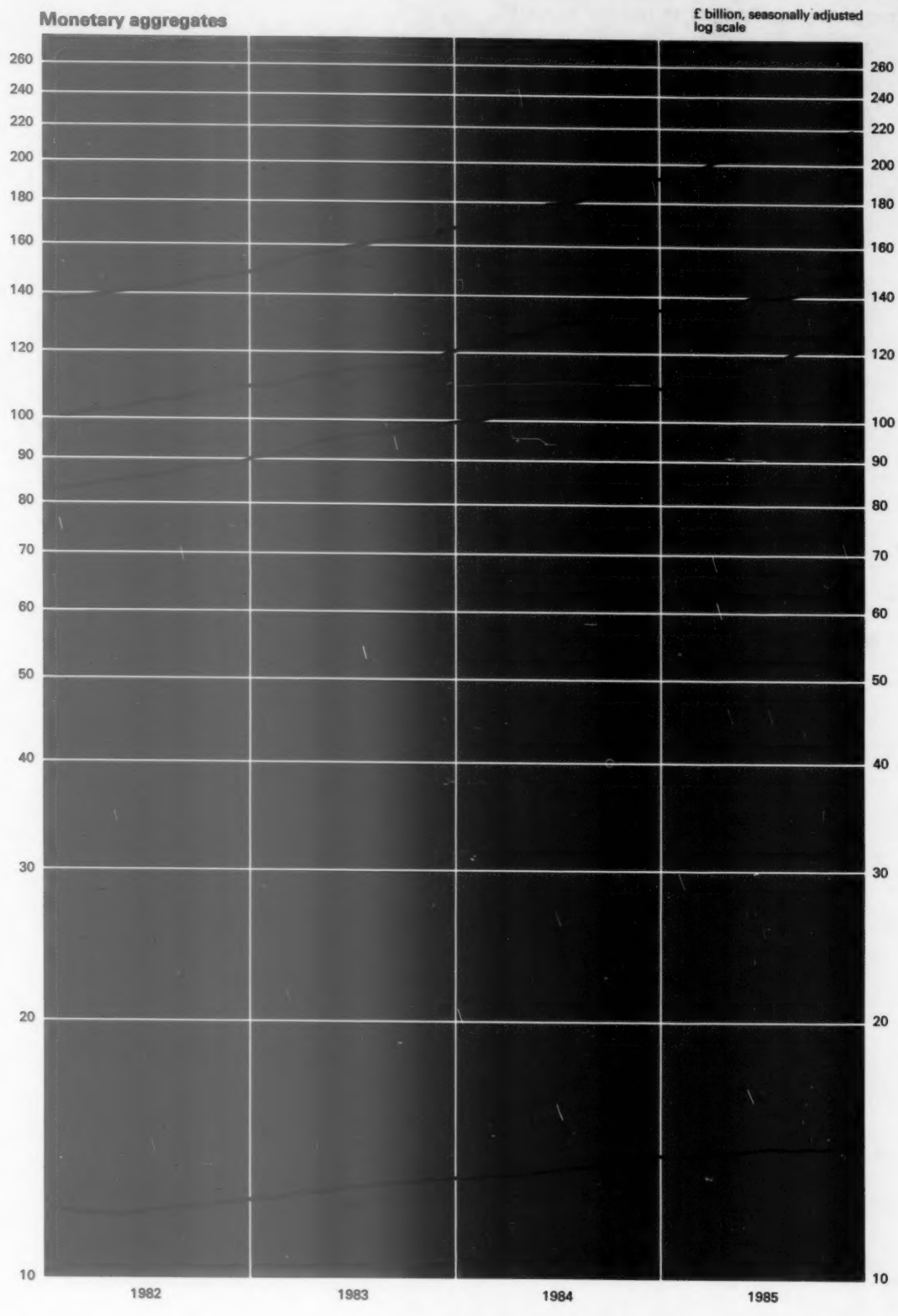

Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
300
14
12
10
8
6
4
2
1
Sterling exchange rate index
Average 1980=100
120
100
80
60
1981
1982
1983
1984
1985
1986

Monetary aggregates (1)

£ million

	Seasonally adjusted			Not seasonally adjusted			Seasonally adjusted					
	'Narrow' money						'Broad money'					
	M0-the wide monetary base			M2- transactions balances			£M3(2)			PSL 2		
	Amount outstanding(3)	Change(3)	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change
At end period							AGBC	AGCT	AGBO	AGKL	AGLL	FHBB
1981 1	..	..	..	..	..	..	68 580†	1 448†	+2.2†	125 164	2 535	+2.2
2	..	..	..	..	..	..	71 460	2 870	+4.2	129 708	4 510	+3.6
3	..	..	..	..	..	..	74 940	3 460	+4.8	134 302	4 591	+3.5
							76 230			136 557		
4(4)	..	..	..	..	..	..	83 960	1 557	+2.1	137 385	2 543	+2.3
1982 1	..	..	..	..	..	..	85 830	1 628	+2.2	140 798	3 451	+2.5
2	..	..	..	..	..	..	87 620	1 779	+2.1	142 668	1 831	+1.3
3	..	..	..	..	..	..	89 560	1 917	+2.2	145 654	2 979	+2.1
4	..	..	..	..	..	..	91 550	1 953	+2.2	149 237	3 475	+2.5
1983 1							95 860					
	..	..	..	..	..	..	95 920	3 729	+4.1	157 262	7 348	+5.4
2	..	..	..	..	..	..	98 090	2 168	+2.3	160 671	3 397	+2.2
3	..	..	..	..	..	..	99 250	1 162	+1.2	163 678†	2 994†	+1.9
4	..	..	..	..	..	..	101 840	2 420	+2.4	168 467	4 607	+2.9†
1984 1	..	..	..	..	..	..	103 810	1 944	+1.9	174 194	5 679	+3.4
2	..	..	..	..	..	..	106 070	2 248	+2.2	180 405	6 176	+3.6
3	..	..	..	..	..	..	109 000	2 948	+2.8	186 379	5 990	+3.3
4	..	..	..	..	..	..	112 140	2 743	+2.5	193 685	6 892	+3.9
1985 1	..	..	..	..	..	..	116 190	4 055	+3.6	202 608	8 942	+4.6
2	..	..	..	..	..	..	118 450	2 262	+1.9	204 631	2 014	+1.0
3	..	..	..	..	..	..	124 130	5 684	+4.8	212 477	7 837	+3.8
4	..	..	..	..	..	..	127 200	3 089	+2.5	220 472	8 015	+3.8
At mid-month	AEGK	AEGV	FHBE	AGAZ	AGDV	FHBC	AGBO	AGDT	AGBP	AGML	AGNL	FHBD
1983 J	12 730	90	+0.8	113 838	1 119	+1.0	95 301	861	+0.9	157 758	1 440	+0.9
J	12 753	23	+0.2†	114 748	1 110	+1.0	96 025	709	+0.7	159 382	1 614	+1.0
A	12 808	55	+0.4	114 214	-534	-0.5	96 463	439	+0.5	160 711	1 327	+0.8
S	12 912	104	+0.8	114 331	97	+0.1	96 650	114	+0.1	161 301	514	+0.4
O	12 951	39	+0.3	115 035	704	+0.6†	97 704	1 059	+1.1	162 829†	1 540	+0.9†
N				115 282								
	13 006	55	+0.4	115 954	161	+0.8	97 667	-32	-	163 582	749†	+0.5
D	13 070	64	+0.5	119 487	3 247	+3.0	98 784	909	+0.9	165 224	1 432	+1.0
1984 J	13 132	62	+0.5	120 903	1 218	+1.2	99 747	968	+1.0	167 304	2 074	+1.3
F	13 160	28	+0.2	121 127	55	+0.2	99 653	-82	-0.1	168 189	880	+0.5
M	13 229	69	+0.5	122 774	1 595	+1.4	101 049	1 373	+1.4	171 005	2 785	+1.7
A	13 231	2	-	125 094	2 320	+1.9	101 391	377	+0.4	172 526	1 550	+0.9
M	13 298	67	+0.5	125 701	567	+0.5	102 241	883	+0.9	174 469	1 949	+1.1
J	13 425	127	+1.0	127 780	2 029	+1.7	103 988	1 720	+1.7	177 998	3 489	+2.0
J	13 497	72	+0.5	129 180	1 400	+1.1	103 367	-628	-0.6	178 461	439	+0.3
A	13 497	-	-	129 527	347	+0.3	104 049	659	+0.6	180 059	1 574	+0.9
S	13 590	93	+0.7	129 471	-56	-	105 337	1 267	+1.2	182 463	2 387	+1.3
O	13 657	67	+0.5	130 160	689	+0.5	105 795	461	+0.4	184 793	2 335	+1.3
N	13 735	78	+0.6	131 309	1 149	+0.9	108 119	2 313	+2.2	188 710	3 921	+2.1
D	13 924	189	+1.4	133 413	2 002	+1.6	108 484	-102	-0.1	189 520	334	+0.4
1985 J	13 840	-84	-0.6	134 483†	1 070†	+0.8	109 592	1 093	+1.0	192 774	3 265	+1.7
F	13 875	36	+0.3	133 801	-682	-0.5	109 919	317	+0.3	194 589	1 828	+0.9
M	13 928	53	+0.4	135 033	1 232	+0.9	110 877	979	+0.9	196 851	2 312	+1.2
A	14 026	98	+0.7	136 259	1 226	+0.9	114 119	3 255	+2.9	200 209	3 384	+1.7
M	14 017	-9	-0.1	136 239	-20	-	114 661	508	+0.4	200 536	328	+0.2
J	14 122	105	+0.8	139 673	3 434	+2.5	117 358	2 642	+2.3	203 934	3 367	+1.7
J	14 179	57	+0.4	138 633	-1 040	-0.7	116 485	-840	-0.7	203 800	-75	-0.1
A	14 100	-79	-0.6	138 862	229	+0.2	118 662	2 220	+1.9	206 209	2 465	+1.2
S	14 159	59	+0.4	140 531	1 512	+1.2	120 809	2 120	+1.8	208 922	2 688	+1.3
O	14 126	-33	-0.2	141 988	1 457	+1.0	121 773	980	+0.8	211 443	2 520	+1.2
N	14 205	79	+0.6	144 197	2 209	+1.6	124 182	2 404	+2.0	215 888	4 444	+2.1
D	14 254	49	+0.3	146 033	1 836	+1.3	124 926†	739†	+0.6	217 536	1 653	+0.8
1986 J	14 459	205	+1.4	146 603	570	+0.4	125 020	93	+0.1	219 268	1 729	+0.8
F	14 367†	-92†	-0.6	146 784	206	+0.1	126 234	1 220	+1.0†	222 608	3 348	+1.5

1 Data for M0, £M3 and PSL 2 are seasonally adjusted; there are at present no seasonal adjustments for M2.
2 Excluding public sector deposits (see article in Economic Trends No 364, February 1984).
3 The monthly figures for M0 give, in respect of the amounts outstanding, the average of the amounts outstanding on each Wednesday during the banking month and, in respect of the change, the changes between the average amounts outstanding.
4 Changes up to and including the 4th quarter of 1981 in the quarterly series and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.


Monetary aggregates
£ billion, seasonally adjusted
log scale
260
240
220
200
180
160
140
120
100
90
80
70
60
50
40
30
20
10
1982
1983
1984
1985

Counterparts to changes in money stock (1)

£ million, seasonally adjusted(2)

	Domestic counterparts								
	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector		Sterling lending to UK private sector(3)	Sub-total of domestic counter-parts	External and foreign currency counterparts(4)	Non-deposit sterling liabilities (net)	Money stock £M3
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt					
	1	2	3	4	5	6	7	8	9
	ABEA	AAZB	AGFA	AGFB	AGFD	AGFE	AGFF	AGGG	AGCJ
1981	10 398	192	-793	12 118	11 405	10 670	-178†	-1 532	9 295
1982	7 855	-2 901	-392	11 012	17 556	11 890	-2 915	-1 460	7 515
1983	14 497	-2 888	-517	11 302	12 903	13 727	-2 295	-1 952	9 480
1984	10 165	-15	-140	11 206	16 541	15 625	-3 595	-2 183	9 847
1985	11 771†	-4 203	-1 449†	10 440†	20 933†	19 510†	-1 623	-2 805†	15 081†
	ABEO	AAZM	AGFN	AGFO	AGFP	AGFQ	AGFR	AGGI	AGCT
1981 3	2 964	24	-151	1 750	2 883	4 272	-205†	-807	3 460†
4	-781	244	-90	3 045	5 329	1 837	-214	-66	1 557
1982 1	-156	236	-91	3 717	5 700	2 154	-215	-111	1 828
2	1 763	-153	16	1 139	3 714	4 169	-2 058	-332	1 779
3	2 824	-1 114	-54	4 289	5 136	2 611	-205	-489	1 917
4	3 424	-1 870	-263	1 938	3 219	3 098	-366	-779	1 953
1983 1	5 140	-743	15	1 350	1 924	4 956	-913	-314	3 729
2	3 638	-1 907	-239	2 226	3 527	3 271	-603	-500	2 168
3	2 884	-120	-186	4 683	3 910	2 177	-101	-914	1 162
4	2 835	-118	-107	3 043	3 542	3 323	-678	-225	2 420
1984 1	2 638	-434	216	2 875	4 662	3 775	-1 080	-751	*1 944
2	3 374	2	210	2 121	2 961	4 006	-1 885	-73	2 248
3	2 475	208	135	2 815	3 750	3 483	-439	-96†	2 948
4	1 678	209	-701	3 395	5 168	4 361	-391	-1 227	2 743
1985 1	2 572	-411†	-74†	4 537†	6 714†	4 412†	765	-1 122	4 055
2	1 188	21	-196	1 684	4 686	4 427	-855	-1 310	2 262
3	4 696	-1 743	-528	1 324	4 248	6 405	-370	-371	5 664
4	3 315†	-2 070	-651	1 571	5 285	5 610	-2 508	-13	3 089

Month ended	AGEP	AGEQ	AGER	AGES	AGET	AGEU	AGGJ	AGDT
1984								
Apr 18	1 497	173	-1 308†	1 555	1 919†	-1 177†	-365	377
May 16	760	-368	-362	875	905	-74	52	883
Jun 20	1 141	174	-966	1 620	1 969	16	-265	1 720
Jul 18	314	-195	-812	330	-363	-652	387	-628
Aug 15	976	305	-1 668	680	293	301	65	659
Sep 19	1 465	118	-949	1 365	1 999	-843	111	1 267
Oct 17	311	-9	-1 370	2 087	1 019	-195	-363	461
Nov 21	1 655	397	-1 431	1 691	2 312	375	-374	2 313
Dec 12	-1 122	195	-486	1 581	168	172	-442	-102
1985								
Jan 16	317†	81†	-987†	2 131	1 542†	-292†	-157	1 093
Feb 20	806	79	-1 654	1 698	929	-676	64	317
Mar 20	1 211	3	-1 140	1 810	1 884	-342	-563	979
Apr 17	908	128	-1 384	2 575	2 227	1 439	-411	3 255
May 15	383	-4	-701	1 438	1 116	44	-652	508
Jun 19	762	-18	-275	1 380	1 849	811	-18	2 642
Jul 17	-92	-477	-449	1 527	509	-772	-577	-840
Aug 21	2 090	-355	-562	1 750	2 923	-954	251	2 220
Sep 18	1 956	-335	-83	980	2 517	-78	-319	2 120
Oct 16	895	-660	-996	2 131	1 370	364	-774	960
Nov 20	1 905	-1 089	-714	1 869	1 971	-943	1 376	2 404
Dec 11	117	450	-339	2 153†	2 381	-1 040	-602†	739†
1986								
Jan 15	54	-353†	387†	386†	474†	-217†	-184†	93†
Feb 19	883†	-233	-470	1 570	1 500	712	-992	1 220

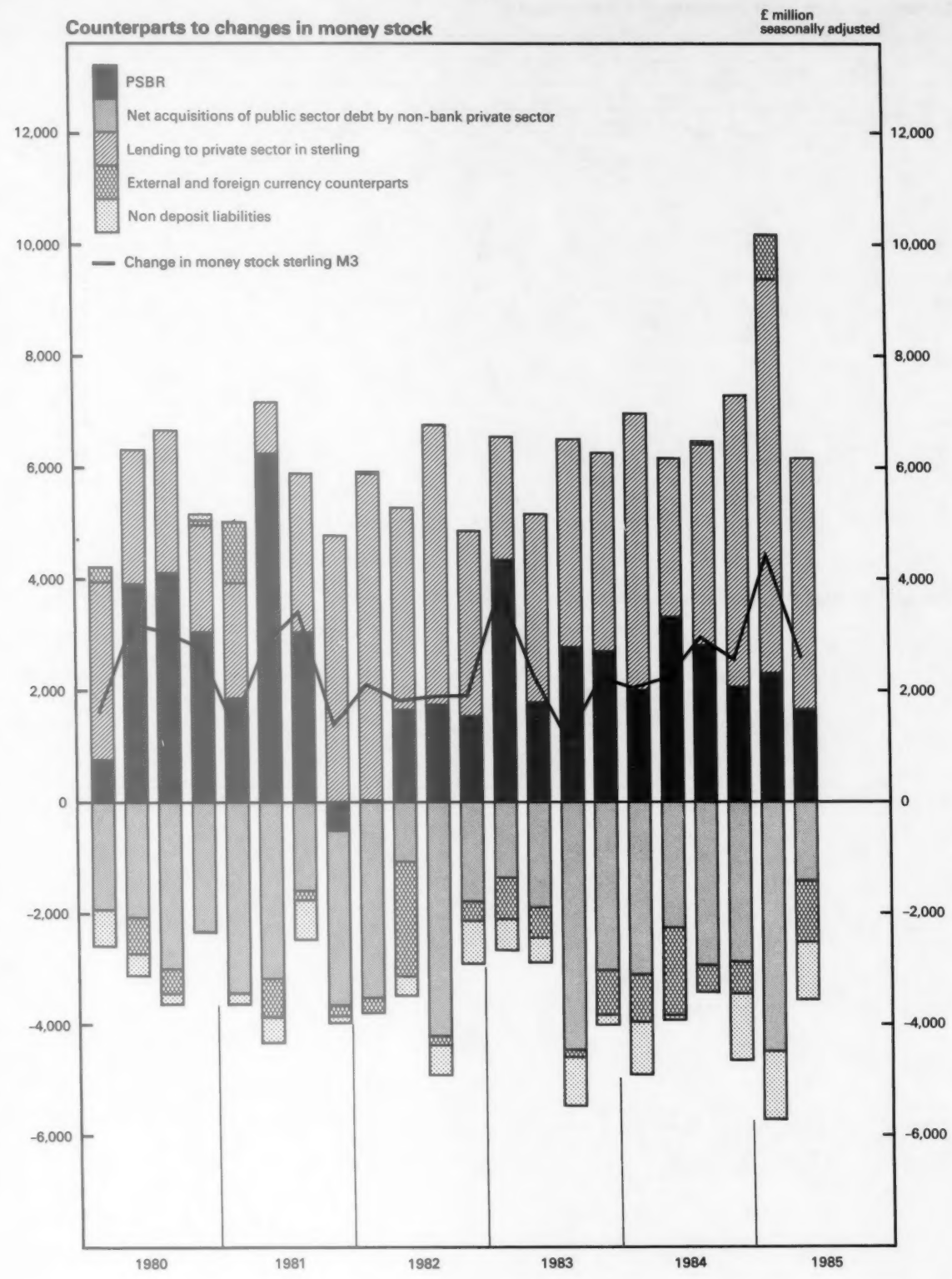
Relationships between columns: 6 = 1+2-3-4+5; 9 = 6+7+8 (The figures combined in the bracket are column 2 less column 3.)

1 Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.

2 The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

3 Banking sector lending plus Bank of England Issue Department holdings of commercial bills.

4 This now includes net non-deposit liabilities in foreign currency.


Counterparts to changes in money stock
£ million
seasonally adjusted
PSBR
Net acquisitions of public sector debt by non-bank private sector
Lending to private sector in sterling
External and foreign currency counterparts
Non deposit liabilities
Change in money stock sterling M3
12,000
10,000
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
1980
1981
1982
1983
1984
1985

General government receipts and expenditure (1)

£ million

		General government									
		Receipts(2)		Expenditure							
		Taxes, national insurance, etc. contributions	Trading income, rent, royalties interest etc.	Goods and services		Current and capital transfers					Public expenditure planning total
				Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending etc(3)	Total	
		ABKA	ABKB	AAXI	ABKC	ABKD	AAYG	AAXL	ABKE	ABKF	ABAZ
1982		106 619†	12 586†	60 382	4 379†	44 086†	2 917	13 987	2 727	128 478†	109 734†
1983		114 327	12 098	65 642†	6 049	48 001	3 719	14 195	920†	138 526	118 138
1984		122 725	12 600	69 687	6 325	52 946	3 976†	15 850†	-1 901	146 883	125 857
1985		134 647	14 192	74 095	7 176	57 503	3 391	17 542	-1 828	157 879	135 254
1982	4	26 880	3 248†	15 531	1 215†	11 659†	903	2 971	848	33 127†	28 913†
1983	1	30 326	3 222	16 457†	2 304	11 432	1 071	4 014	958†	36 238	31 112
	2	25 848†	2 957	16 217	897	12 104	716	2 925	69	32 928	27 347
	3	28 126	2 934	16 232	1 432	12 060	867	3 894	26	34 511	29 458
	4	30 027	2 985	16 736	1 416	12 405	1 065	3 362	-133	34 851	31 221
1984	1	32 108	3 131	16 888	2 310	13 351	1 327	4 366	-370	37 872	32 305
	2	27 961	3 039	17 115	1 003	13 236	849†	3 327†	-20	35 510	30 219
	3	30 909	3 240	17 631	1 565	13 182	848	4 186	-355	37 057	31 228
	4	31 747	3 190	18 053	1 447	13 177	952	3 971	-1 156	36 444	32 105
1985	1	35 116	3 588	18 447	2 434	14 958	1 079	4 714	-491	41 191	36 182
	2	30 430	3 528	18 316	1 232	13 955	678	3 844	-1 561	36 464	30 788
	3	34 041	3 459	18 436	1 718	14 205	837	4 664	-4	39 856	33 773
	4	35 060	3 617	18 896	1 742	14 385	797	4 320	228	40 368	34 511

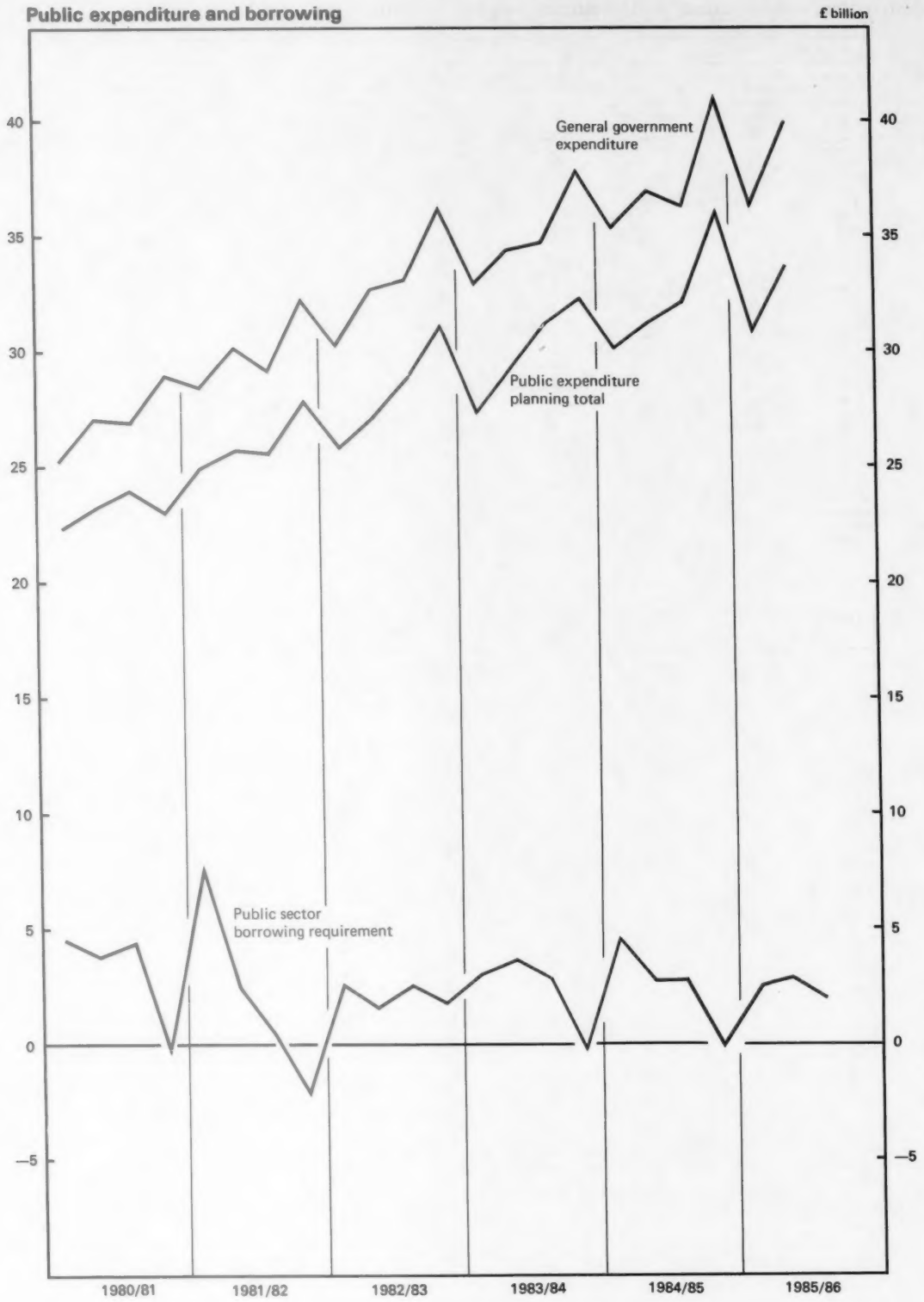
1 An article describing the new presentation of government income and expenditure was published in the March 1977 issue of Economic Trends.
2 Excluding financial transactions.
3 Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc.(net).

Financial transactions of the public sector

£ million

		Financial deficit(1)				Receipts					
								Borrowing requirement(4)			
		Total	General government(2)	Public corporations	Net lending etc., to private sector and overseas(3)	Total	Financial transactions (net receipts)	Total	Central government (own account)(5)	Local authorities	Public corporations	Seasonally adjusted Total(6)
		FZAA	FZAB	FZAC	ABKG	ABKH	ABKI	ABEN	ABEB	ABEG	ABEM	ABFB
1982		7 587†	6 546†	1 041†	767	8 354†	3 400†	4 954	4 077	-799	1 676	4 954
1983		11 343	11 181	162	-630†	10 713	-896	11 609	9 198	1 232	1 179	11 609
1984		14 016	13 459	557	-2 500	11 516	1 366	10 150	6 891	2 304	955	10 150
1985		10 203	10 771	-568	-2 360	7 922	354	7 568†	6 153†	1 595†	-180†	7 568†
1982	4	1 906†	2 153†	-247†	231	2 137†	-523†	2 660	2 917	-684	427	1 554
1983	1	1 646	1 730	-84	20†	1 666	-135	1 801	78	1 147	576	4 397
	2	4 121	4 054	67	-387	3 734	564	3 170	3 658	-100	-388	1 731
	3	4 191	3 425	766	-235	3 956	254	3 702	2 961	371	370	2 764
	4	1 385	1 972	-587	-28	1 357	-1 579	2 936	2 501	-186	621	2 717
1984	1	2 722	3 003	-281	-419	2 303	2 383	-80	-833	1 121	-288	2 204
	2	4 464	4 530	-66	-35	4 429	-164	4 593	4 521	554	-482	3 376
	3	4 071	3 263	808	-688	3 383	587	2 796	1 915	684	197	2 683
	4	2 759	2 663	96	-1 358	1 401	-1 440	2 841	1 388	-55	1 508	1 887
1985	1	3 353	2 979	374	-186	3 167	3 283	-116†	-1 205†	1 202	-113	2 161†
	2	3 767	4 067	-300	-1 255	2 563	-26	2 589	2 730	473	-614†	1 209
	3	2 585	2 356	229	-494	2 086	-902	2 988	2 358	640†	-10	2 953
	4	498	1 369	-871	-425	106	-2 001	2 107	2 270	-720	557	1 245
1985	D							1 720†	1 193†	287†	280†	
1986	J							-4 513	-4 591	129	-51	
	F							-373	-74	27	-326	

1 The excess of current and capital expenditure over receipts; corresponds to a negative figure of financial surplus/deficit.
2 Top table, columns 3 to 7, less 1 and 2.
3 Including cash expenditure on company securities (net).
4 Redefined: see article in Economic Trends No 364, February 1984.
5 Excluding borrowing matched by on-lending to local authorities and public corporations.
6 Calendar year constrained.


Public expenditure and borrowing
£ billion
General government expenditure
Public expenditure planning total
Public sector borrowing requirement
40
35
30
25
20
15
10
5
0
—5
1980/81
1981/82
1982/83
1983/84
1984/85
1985/86

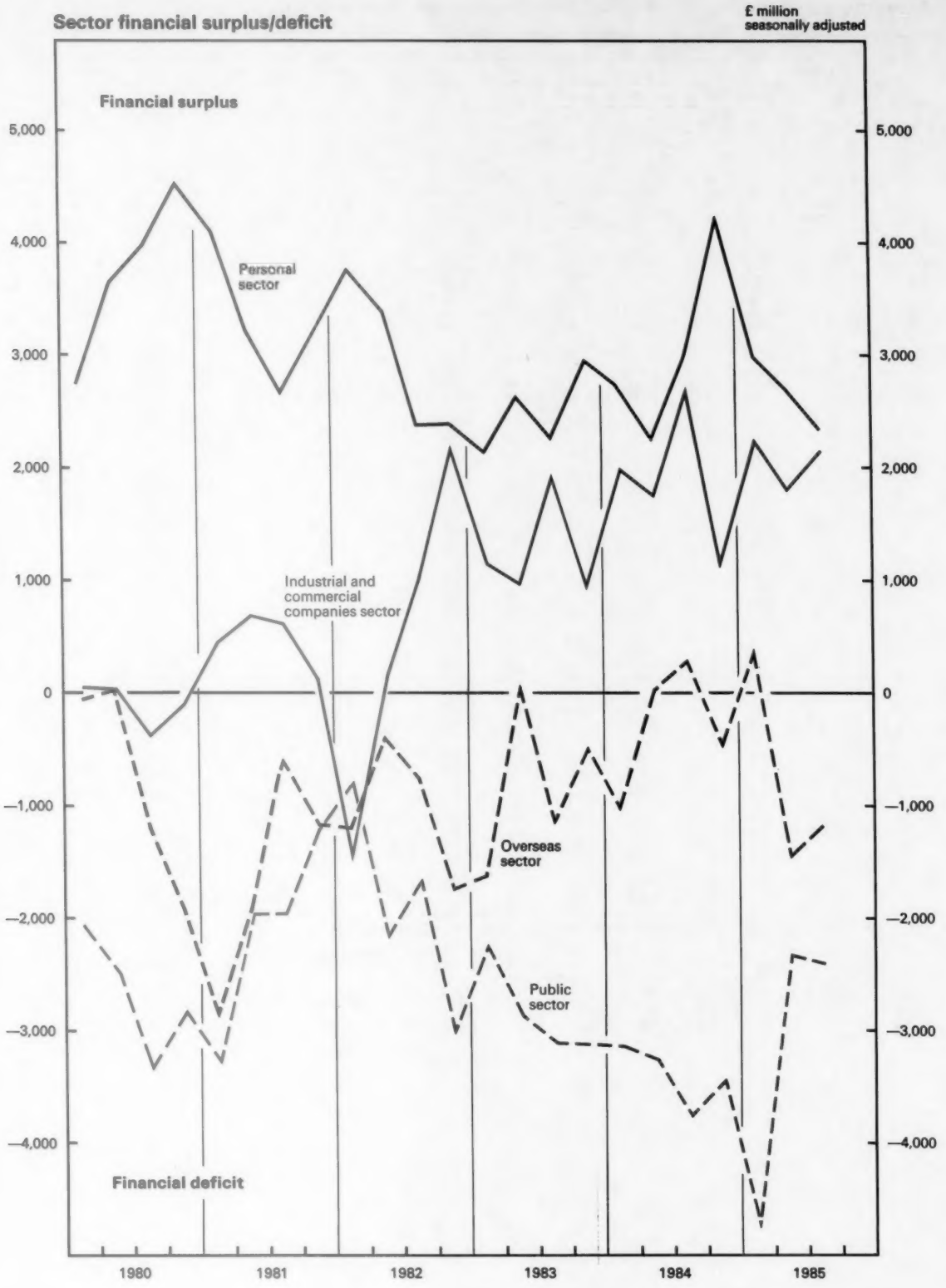
Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

		Public sector(1)			Financial companies and institutions			Industrial and commercial companies		
		Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Savings(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)
		FQAA	FQAB	FQAC	AAAM	AAAN	GGCR	AAAQ	AAAR	GGCQ
1980		2 693	-562	12 840	4 617†	-128	5 155	17 186	414	17 911
1981		3 836	-448	11 708†	4 818	-399	5 361	18 629	628	17 533†
1982		5 500†	-906	12 181	6 114	-252	5 857	18 643†	603	17 350
1983		4 509	-1 555	14 297	6 615	-188	5 233†	24 779	476	20 321
1984		1 271	-1 651†	13 636	6 936	-215	6 685	31 131	357†	23 736
		ABKJ	ABKK	ABKL	AAUM	AAUN	GGCX	AAUQ	AAUR	GGCW
1981	2	1 235†	-187	2 978†	874†	-41	1 359	4 649	171	4 164†
	3	1 006	-205	2 731	1 293	-36	1 395†	5 151	176	4 753
	4	1 607	105	2 909	1 827	-295	1 405	4 936†	136	5 000
1982	1	2 380	-229	2 927	1 183	-88	1 425	3 307	186	4 905
	2	918	-132	2 939	1 489	-84	1 513	4 603	94	4 543
	3	1 589	-185	3 038	1 818	-55	1 558	4 895	86	3 967
	4	613	-360	3 277	1 624	-45	1 361	5 838	237	3 935
1983	1	1 787	-342	3 673	1 856	-45	1 407	5 684	185	4 756
	2	823	-310	3 452	1 667	-60	1 275	5 439	120	4 565
	3	1 016	-414	3 636	1 590	-44	1 240	7 129	85	5 298
	4	883	-489	3 536	1 502	-37	1 311	6 527	86	5 702
1984	1	692	-532	3 355	1 410	-39	1 454	7 575	76	5 612
	2	189	-420†	3 152	1 632	-71	1 633	7 418	101†	5 670
	3	117	-387	3 594	1 857	-57	1 766	8 056	99	5 605
	4	273	-312	3 535	2 037	-48	1 832	8 082	81	6 849
1985	1	-784	-274	3 454	2 464	-42	2 560	8 304	118	6 482
	2	1 195	-141	2 887	1 996	-104†	1 516	7 716	67	5 847
	3	1 142	-166	3 318	2 155	-115	1 965	7 804	122	5 975

		Personal sector			Financial Surplus Deficit(4)					
		Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector(5)	Balancing item(6)
		AAAU	AAAV	GGCP	AABE	AABF	AABG	AABH	AABI	AABJ
1980		24 187†	276	9 539	-10 709	-866†	-311	14 924†	-3 100	-138
1981		23 302	219	10 316†	-8 320†	-842	1 724†	13 205	-6 226†	559†
1982		24 549	555	13 040	-7 587	5	1 896	12 064	-4 033	-2 345
1983		23 779	1 265	15 141	-11 343	1 196	4 934	9 903	-3 164	-1 526
1984		27 032	1 509	16 375	-14 016	36	7 752	12 166	-879	-5 059
		AAUU	AAUV	GGCV	AAVE	AAVF	AAVG	AAVH	AAVI	AAVJ
1981	2	5 614†	57	2 413†	-1 930†	-526†	656†	3 258†	-1 886	428†
	3	5 314	65	2 716	-1 930	-138	574	2 663	-393†	-776
	4	6 012	54	2 926	-1 197	-73	72	3 140	-1 148	-794
1982	1	6 620	131	2 887	-776	-330	-1 412	3 864	-1 174	-172
	2	6 530	102	3 197	-2 153	-88	154	3 435	-391	-957
	3	5 587	154	3 280	-1 634	205	1 014	2 461	-733	-1 313
	4	5 812	168	3 676	-3 024	218	2 140	2 304	-1 735	97
1983	1	5 396	202	3 522	-2 228	404	1 113	2 076	-1 564	199
	2	6 162	250	3 765	-2 939	332	994	2 647	52	-1 096
	3	5 876	373	3 897	-3 034	306	1 916	2 352	-1 210	-330
	4	6 345	440	3 957	-3 142	154	911	2 828	-452	-299
1984	1	6 292	495	4 063	-3 195	-83	2 039	2 704	-980	-485
	2	6 082	390	4 148	-3 383	-72	1 849	2 324	143	-861
	3	6 852	345	4 022	-3 864	34	2 550	3 175	158	-2 053
	4	7 806	279	4 122	-3 574	157	1 314	3 963	-200	-1 660
1985	1	7 338	198†	4 311	-4 512	-138	1 940	3 225	374	-889
	2	6 823	178	4 438	-1 833	376	1 936	2 563	-1 333	-1 709
	3	6 860	159	4 220	-2 342	75	1 951	2 799	-1 072	-1 411

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving plus capital transfers less gross domestic fixed capital formation, less increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, plus capital transfers.
6 For periods when the sector current and capital accounts are fully articulated it is equal to the residual error in the national accounts.


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
5,000
4,000
3,000
2,000
1,000
0
—1,000
—2,000
—3,000
—4,000
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
Financial deficit
1980
1981
1982
1983
1984
1985

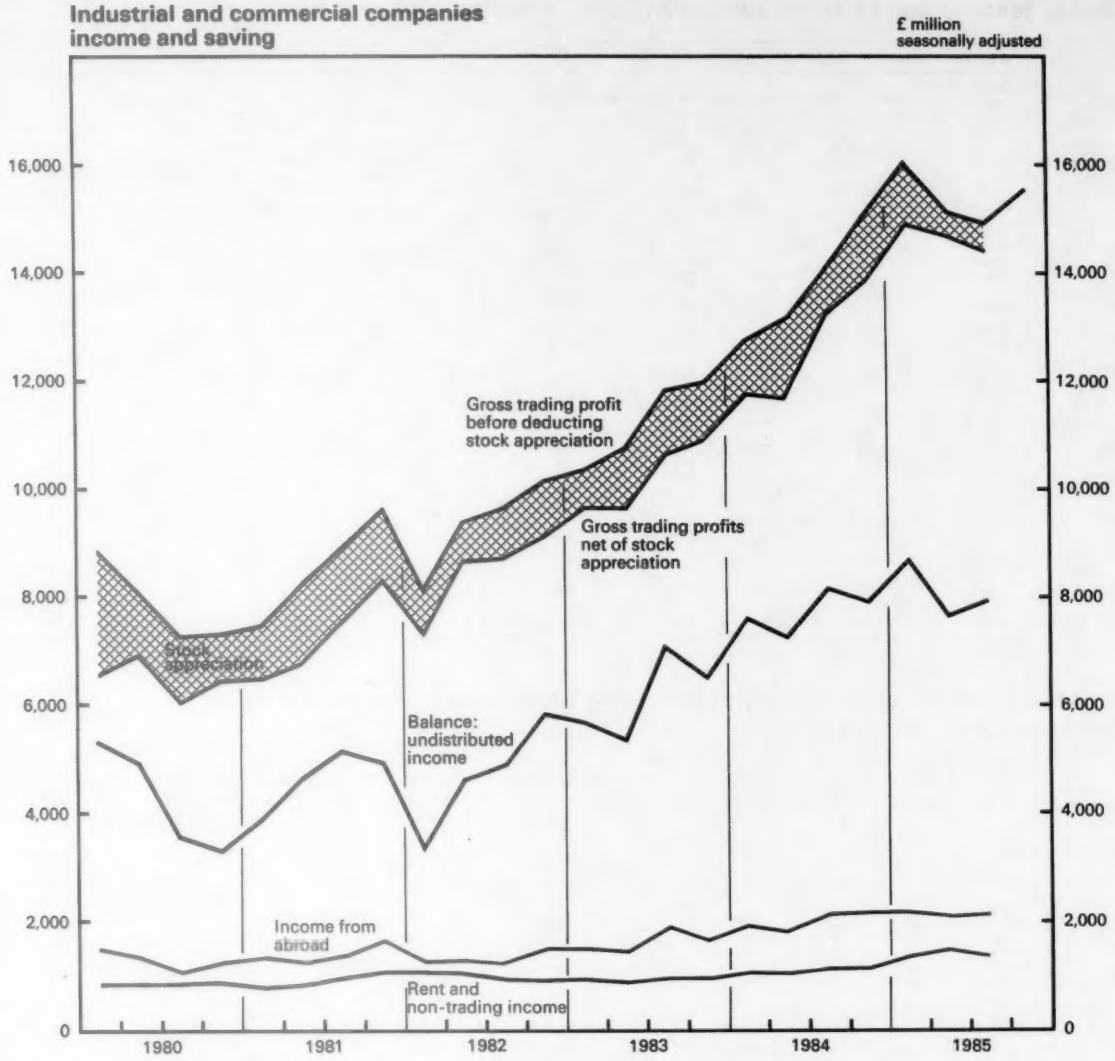
Appropriation account of industrial and commercial companies(1)

£ million, seasonally adjusted

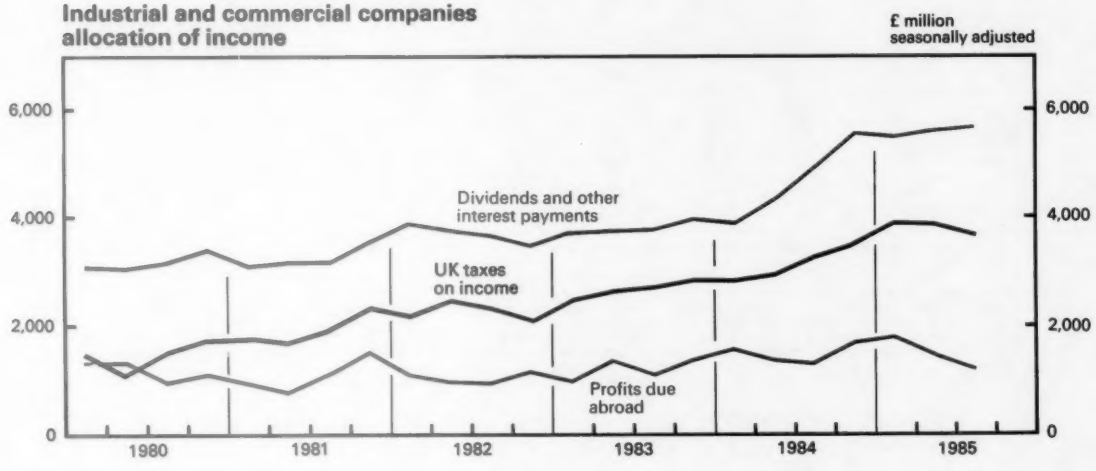
	Income								Allocation of income				Balance	
		Income arising in the United Kingdom							Dividends, interest and current transfer payments					
		Gross trading profits												
		Net of stock appreciation												
	Total income	Total(2)	N. Sea oil companies	Other companies	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Dividends on ordinary shares(3)	Other (3,4)	Profits due abroad (net of UK tax)	UK taxes on income: payments (5)	Undistributed income (6)	Undistributed income adjusted for unremitted profits (6,7)
	AIAA	AIAB	CIDR	CIDS	AIAC	AIAD	AIAE	AIAF	AIAH	AIAI	AIAJ	AIAL	AAAQ	AIAM
1974	16 510	7 838	-17	7 855	5 063	12 901	1 293	2 316	1 246	3 512	506	2 203	9 043	8 512
1975	16 213	8 564	-50	8 614	4 504	13 068	1 305	1 840	1 329	3 387	422	1 743	9 332	8 709
1976	20 674	10 801	527	10 274	5 587	16 388	1 630	2 656	1 532	3 902	724	1 500	13 016	11 889
1977	25 684	17 381	1 971	15 410	4 118	21 499	1 602	2 583	1 749	4 037	1 729	2 492	15 677	15 742
1978	29 447	21 134	2 614	18 520	3 443	24 577	1 886	2 984	1 929	4 458	1 980	3 237	17 843	17 805
1979	39 103	23 488	5 249	18 239	7 399	30 887	2 548	5 668	3 364	6 359	3 711	4 240	21 429	22 378
1980	40 015	26 045	8 057	17 988	5 522	31 567	3 395	5 053	3 260	9 344	4 424	5 801	17 186	17 945
1981	43 423	29 215	10 866	18 349	5 029	34 244	3 636	5 543	3 225	9 722	4 182	7 665	18 629	18 349
1982	46 564	33 855	12 710	21 145	3 460	37 315	3 965	5 284	3 592	11 125	4 041	9 185	18 641	18 139
1983	55 248	40 831	15 798	25 033	4 118	44 949	3 787	6 512	4 446	10 666	4 743	10 681	24 712	23 851
1984	67 669	50 590	19 114	31 476	4 603	55 193	4 415	8 081	5 508	13 018	5 702	12 632	30 811	30 754
	AIAN	AIAO	CIDT	CIDU	AIAP	AIAQ	AIAR	AIAS	AIAU	AIAV	AIAW	AIAY	AAUQ	AIAZ
1977 4	6 246	4 609	508	4 101	676	5 285	360	601	478	918	440	673	3 741	3 823
1978 1	6 822	5 234	559	4 675	555	5 789	382	651	467	885	453	670	4 347	4 414
2	7 343	5 155	646	4 507	980	6 135	453	755	581	1 087	433	786	4 456	4 442
3	7 758	5 602	637	4 965	892	6 494	500	764	431	1 166	510	851	4 800	4 750
4	7 524	5 143	770	4 373	1 016	6 159	551	814	450	1 320	584	930	4 240	4 199
1979 1	8 502	5 178	943	4 235	1 487	6 665	578	1 259	538	1 424	709	969	4 882	4 704
2	9 751	5 893	1 194	4 699	1 990	7 883	595	1 273	585	1 440	971	1 146	5 609	6 093
3	10 332	6 124	1 512	4 612	1 987	8 091	657	1 584	702	1 631	1 002	1 088	5 909	6 225
4	10 518	6 293	1 600	4 693	1 955	8 248	718	1 552	1 539	1 864	1 029	1 037	5 049	5 356
1980 1	11 162	6 597	1 938	4 659	2 246	8 843	831	1 488	825	2 223	1 227	1 498	5 389	5 824
2	10 310	6 939	1 947	4 992	1 227	8 166	835	1 309	712	2 295	1 273	1 100	4 930	5 066
3	9 136	6 065	1 980	4 085	1 184	7 249	848	1 039	831	2 320	909	1 496	3 580	3 740
4	9 407	6 444	2 192	4 252	865	7 309	881	1 217	892	2 506	1 015	1 707	3 287	3 315
1981 1	9 599	6 516	2 458	4 058	957	7 473	782	1 344	816	2 265	902	1 724	3 892	3 749
2	10 244	6 796	2 651	4 145	1 432	8 228	800	1 216	861	2 275	761	1 698	4 649	4 406
3	11 270	7 584	2 794	4 790	1 338	8 922	980	1 368	778	2 374	1 064	1 903	5 151	5 148
4	12 310	8 319	2 963	5 356	1 302	9 621	1 074	1 615	770	2 808	1 455	2 340	4 937	5 046
1982 1	10 407	7 288	2 697	4 591	797	8 085	1 065	1 257	1 047	2 840	1 020	2 193	3 307	3 163
2	11 714	8 697	2 940	5 757	706	9 403	1 046	1 265	874	2 852	953	2 431	4 604	4 642
3	11 851	8 733	3 426	5 307	916	9 649	949	1 253	902	2 762	943	2 351	4 893	5 003
4	12 592	9 137	3 647	5 490	1 041	10 178	905	1 509	769	2 671	1 125	2 190	5 837	5 331
1983 1	12 833	9 651	3 816	5 835	761	10 412	933	1 488	938	2 767	946	2 489	5 693	5 771
2	13 077	9 627	3 603	6 024	1 082	10 709	922	1 446	1 103	2 613	1 343	2 635	5 383	5 512
3	14 677	10 620	4 051	6 569	1 177	11 797	964	1 916	1 180	2 590	1 083	2 718	7 106	7 052
4	14 661	10 933	4 328	6 605	1 098	12 031	968	1 662	1 225	2 696	1 371	2 839	6 530	5 516
1984 1	15 788	11 788	4 441	7 347	977	12 765	1 070	1 953	1 104	2 768	1 568	2 830	7 518	8 076
2	15 822	11 704	4 507	7 197	1 279	12 983	1 041	1 798	1 263	3 009	1 317	2 974	7 259	7 393
3	17 490	13 209	4 747	8 462	979	14 188	1 157	2 145	1 210	3 652	1 191	3 304	8 133	8 447
4	18 569	13 889	5 419	8 470	1 368	15 257	1 147	2 165	1 931	3 587	1 626	3 524	7 901	6 838
1985 1	19 767	14 915	5 571	9 344	1 318	16 233	1 383	2 151	1 333	4 112	1 717	3 916	8 689	9 129
2	18 445	14 703	4 757	9 946	241	14 944	1 439	2 082	1 562	4 037	1 359	3 865	7 622	7 467
3	18 404	14 400	4 055	10 345	536	14 936	1 351	2 117	1 641	3 980	1 169	3 659	7 975	8 062

1 Figures reflect inclusion of British Telecom with effect from its privatisation on 28 November 1984.
2 Before providing for depreciation.
3 With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 Mainly payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.
7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

		Receipts					Expenditure				
		Total receipts	Undistributed income	Stock appreciation	Undistributed income less stock appreciation	Capital transfers	Total expenditure	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Balance: Financial surplus or deficit
		FMBI	AAAQ	AIAC	FMBJ	AIBR	FMBM	AAAS	FMBN	AICB	AABG
1981		14 334	18 629	5 029	13 600	734	12 405	14 864	-2 565	106	1 929
1982		15 836	18 641	3 460	15 181	655	13 894	15 524	-1 682	52	1 942
1983		21 245	24 712	4 118	20 594	651	16 159	15 815	169	175	5 086
1984		26 758	30 811	4 603	26 208	550	19 156	18 828	134	194	7 602
		FMBA	AAUQ	AIAP	FMBC	CIDZ	FMBF	AAUS	FMBG	FMBH	AAVG
1981	4	3 803	4 937	1 302	3 635	168	3 691	3 691	-32	32	112
1982	1	2 648	3 307	797	2 510	136	4 072	3 776	346	-50	-1 426
	2	4 024	4 604	706	3 898	126	3 876	3 838	6	32	148
	3	4 098	4 893	916	3 977	121	3 081	4 025	-979	35	1 017
	4	5 068	5 837	1 041	4 796	272	2 865	3 885	-1 055	35	2 203
1983	1	5 152	5 693	761	4 932	220	3 981	3 865	81	35	1 171
	2	4 462	5 383	1 082	4 301	161	3 466	3 850	-425	41	996
	3	6 083	7 106	1 177	5 929	134	4 094	3 877	168	49	1 989
	4	5 568	6 530	1 098	5 432	136	4 618	4 223	345	50	950
1984	1	6 670	7 518	977	6 541	129	4 666	4 428	185	53	2 004
	2	6 123	7 259	1 279	5 980	143	4 365	4 611	-289	43	1 758
	3	7 303	8 133	979	7 154	149	4 601	4 662	-111	50	2 702
	4	6 662	7 901	1 368	6 533	129	5 524	5 127	349	48	1 138
1985	1	7 540	8 689	1 318	7 371	169	5 261	5 686	-478	53	2 279
	2	7 491	7 622	241	7 381	110	5 675	5 272	358	45	1 816
	3	7 586	7 975	536	7 439	147	5 399	5 526	-153	26	2 187

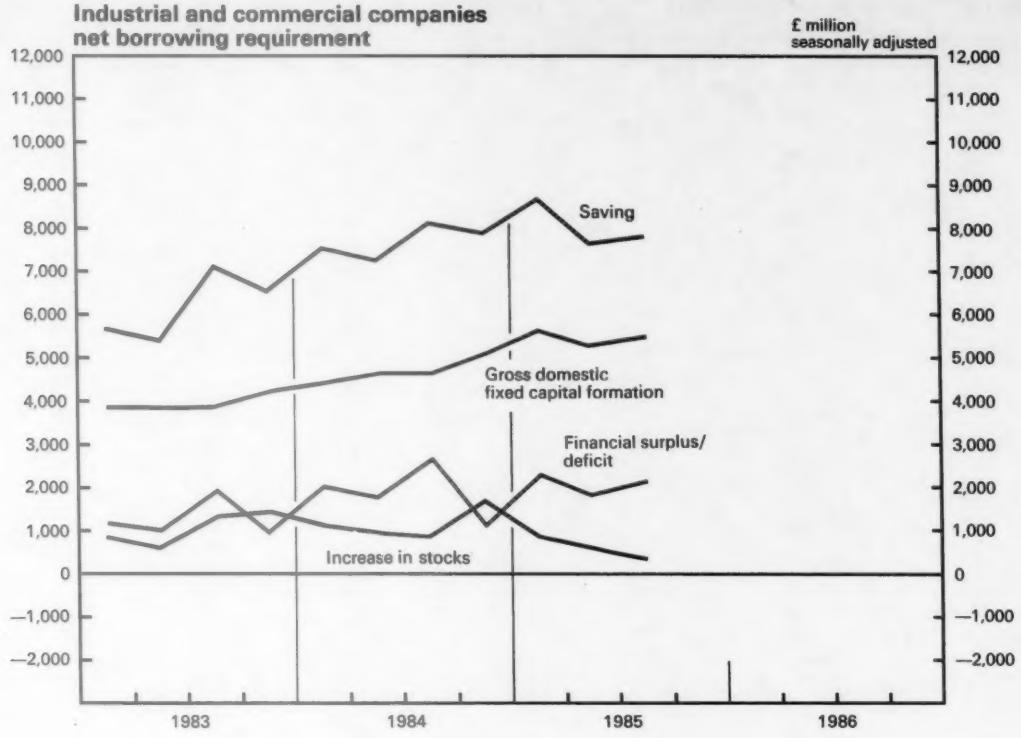
Financial transactions including net borrowing requirement of industrial and commercial companies (1,7)

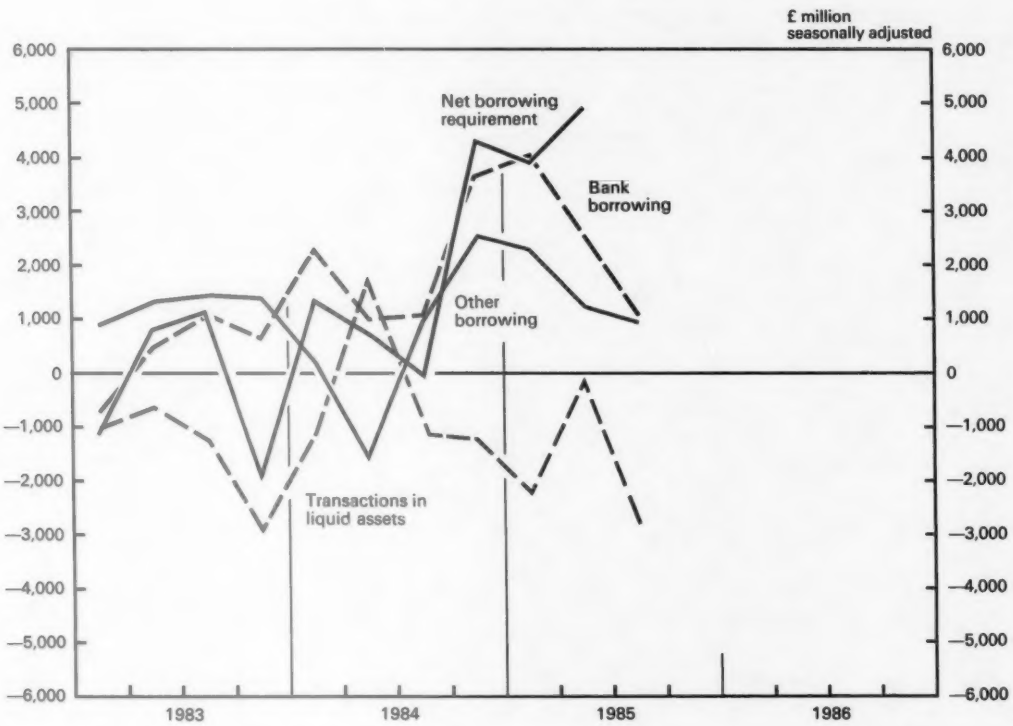
£ million, seasonally adjusted

			Transactions leading to net borrowing requirement					Financing of net borrowing requirement(5)				
								Borrowing from		Financial assets		
		Financial surplus or deficit	Net unremitted profits(2)	Net identified trade and other credit(3)	Investment in UK company securities(4)	Investment abroad	Balancing item	Banks(6)	Other	Liquid	Other(8)	Net borrowing requirement (NBR)
		AABG	AIBP	FMBP	FMBQ	AICP	FMBR	FMBS	AICT	AICU	AICV	AICW
1981		1 929	-280	1 221	-1 241	-3 856	-2 107†	5 847	4 253†	-4 694	-1 072†	4 334†
1982		1 942	-502	-1 187	-1 678	-2 705†	-1 583	6 563	3 421	-2 784	-1 479	5 711
1983		5 086	-861	177	-1 381	-3 363	1 373	1 559	5 035	-5 857	-1 768	-1 031
1984		7 602	-57	-47	-3 878	-4 590	-4 201	7 165†	2 145	-2 221	-1 918	5 171
		AAVG	AICX	ABKP		AIDC	AIDD	AIDF	AIDJ	AIDG		AIDI
1981	4	112	109	-1 574	-391	-1 051	-2 905†	4 104	1 036†	549	11	5 700†
1982	1	-1 426	-144	379	-389	-772	-735	3 212	1 331	-1 621	185	3 087
	2	148	38	-1 086	-439	-468	-360	1 324	863	10	-30	2 167
	3	1 017	110	-12	-474	-739	-446	1 796	388	-1 031	-611	544
	4	2 203	-506	-495	-374	-726†	335	470	839	-743	-1 003	-437
1983	1	1 171	78	1 080	-228	-1 385	417	-739	881	-1 023	-252	-1 133
	2	996	129	-717	-525	-194	-516	483	1 335	-647	-344	827
	3	1 989	-54	-507	-323	-853	-1 401	1 151	1 427	-1 226	-183	1 169
	4	950	-1 014	321	-305	-831	2 897	664	1 392	-2 985	-989	-1 918
1984	1	2 004	558	406	-1 330	-1 158	-1 236	1 684†	208	-1 169	33	756
	2	1 758	134	-155	-813	-1 857	450	729	-1 601	1 701	-346†	483
	3	2 702	314	-171	-475	-747	-1 378	846	951	-1 141	-901	-245
	4	1 138	-1 063	-117	-1 260	-828	-2 438	3 906	2 587	-1 221	-704	4 568
1985	1	2 279	440	-452	-1 229	-2 182	-1 364	2 771	2 306	-2 243	-346	2 488
	2	1 816	-155	-544	-1 410	-6	-3 444	1 492	1 224	-105	1 132	3 743
	3	2 187	87	-438	-1 093	-1 143	2 737	753	976	-2 800	-1 266	-2 337

1 Inflows(+), outflows(-); Relationships between columns: 1+2+3+4+5+6+7+8+9+10 = zero; 7+8+9+10 = 11
2 Retained in UK (+), retained abroad (-).
3 Includes accruals adjustment.
4 Cash expenditure on subsidiaries and trade investments in the United Kingdom.
5 The NBR seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.
6 Includes Bank of England Issue Department transactions in commercial bills.
7 There is a mismatch between investment by securities dealers (classified to personal sector)and any associated bank borrowing by these dealers. The latter is included in the borrowings from banks by industrial and commercial companies in the above table. This mismatch will be corrected as soon as possible.
8 A major component (deposits with and borrowing from banks in the BIS reporting area)is not available for the most recent quarter.

Industrial and commercial companies net borrowing requirement





UK banks' lending to UK residents

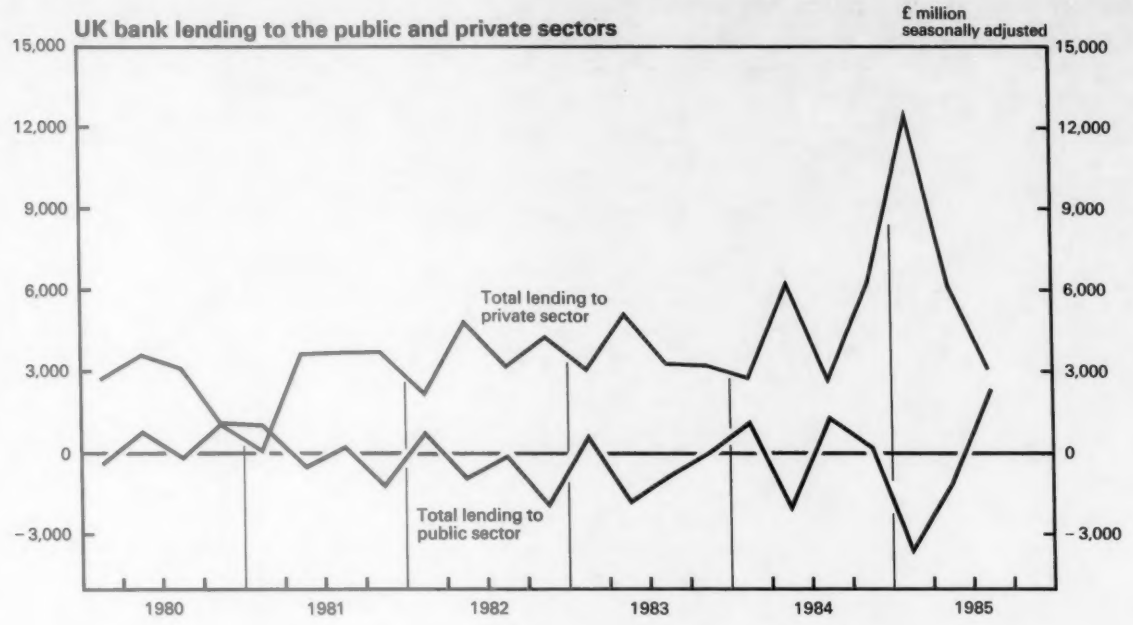
	£ million, seasonally adjusted(1)					
	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies	Total	Sterling	Other currencies
Transactions	FPAG	AEBQ	FPAC	FPAJ	AECF	AECL
1981	-538	252	-790	11 638	8 846	2 792
1982	-2 325	-2 273	-52	14 578	12 842	1 736
1983	-1 924	-2 039	115	15 046	13 628	1 418
1984	1 183	892	291	18 384	13 479	4 905
1985	-1 639†	-2 051†	412†	24 590†	19 803†	4 787†
	FPAA	AEBT	AECC	FPAD	AECI	AECO
1980 4	1 115†	1 273†	-158	1 194	1 352	-158
1981 1	1 243	1 158	85	183	-444	627
2	-538	223	-761	3 728	3 758	-30
3	247	465	-218	3 754	2 575	1 179
4	-1 223	-1 327	104	3 760	2 744	1 016
1982 1	820	808	12	2 268	1 643	625
2	-924	-920	-4	4 926	4 557	369
3	-119	-130	11	3 276	3 075	201
4	-1 992	-1 921	-71	4 321	3 780	541
1983 1	629	629	-	3 147	3 368	-221
2	-1 721	-1 701	-20	5 253	4 712	541
3	-798	-748	-50	3 345	2 182	1 163
4	-10	-195	185	3 301	3 366	-65
1984 1	1 041	1 077	-36	2 893	1 795	1 098
2	-2 004	-2 047	43	6 355	5 553	802
3	1 464	1 349	115	2 739	1 728	1 011
4	281	112	169	6 397	4 403	1 994
1985 1	-3 499	-3 588	89	12 539†	9 323†	3 216
2	-1 199	-1 237	38	6 228	4 829	1 399†
3	2 400	2 377	23	2 996	3 850	-854
4	659	397	262†	2 827	1 801	1 026

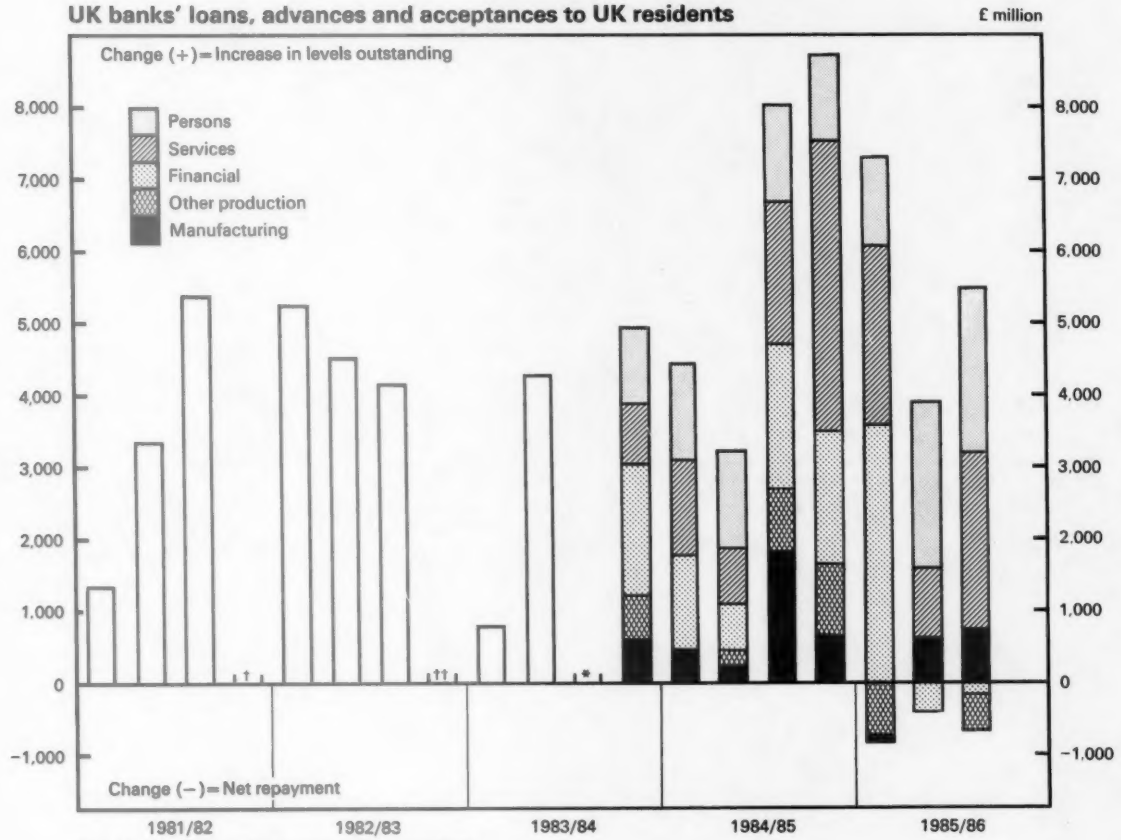
1 The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

UK banks' loans, advances and acceptances to UK residents (1,2)

	£ million					
	Total loans, advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (Nov 1985):	168 298	27 422	15 764	33 737	49 925	41 111
Changes	FRAA	FRAB	FRAC	FRAD	FRAE	FRAF
1983						
Nov-Feb	4 931	599	603	1 814	844	1 071
1984						
Feb-May	4 397	443	5	1 313	1 336	1 301
May-Aug	3 201	201	237	656	785	1 322
Aug-Nov	8 011	1 800	803	2 010	1 851	1 344
Nov-Feb	8 727	658	988	1 863	4 012	1 206
1985						
Feb-May	6 476	-155	-677	3 585	2 500	1 226
May-Aug	3 451	605	-3	-438	959	2 327
Aug-Nov	4 909	702	-417	-167	2 472	2 320

1 For a more detailed breakdown of these figures see Financial Statistics Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.
2 Due to the introduction of the revised analysis in November 1983, a breakdown is given only for this and later dates and any changes for the August-November 1983 period are not shown.





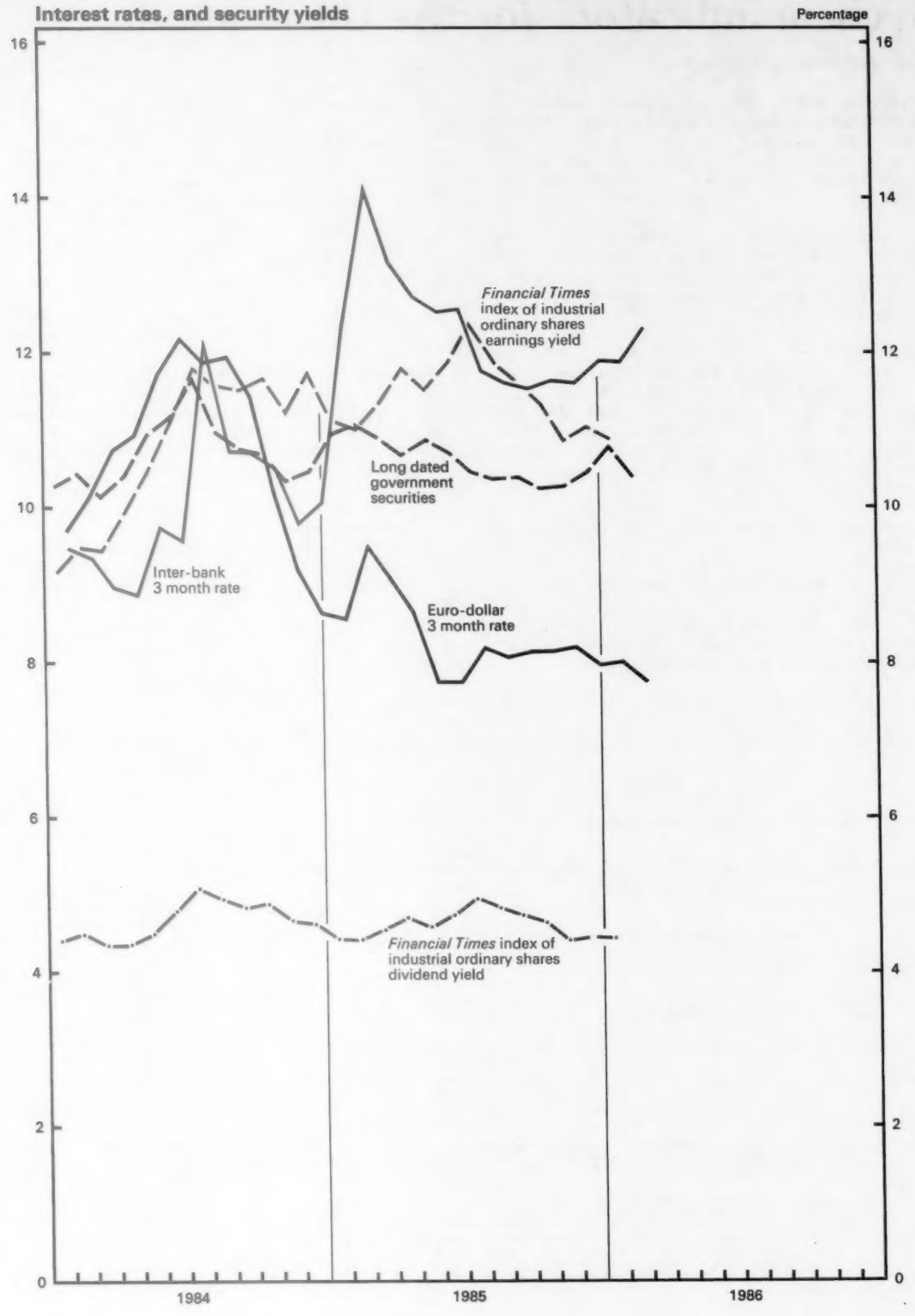
†Due to implementation of the monetary sector, changes for the November 1981 – February 1982 period cannot be calculated.
*See footnote [2] page 64 lower table.
††Changes cannot be calculated for this period due to definition changes.

Interest rates, security prices and yields

Percentage rate

	Last Friday						Last working day		Average of working days			
			London clearing banks							Financial Times index of industrial ordinary shares		
										1 July 1935 = 100		
	Treasury bill yield(1)	Deposits with local authorities - 3 months (2)	Base rate	Deposit account: 7 days' notice(3)	Inter-bank - 3 month rate(4)	Sterling certificates of deposit - 3 months	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares(5)	British government securities: long dated(6) - 20 years	Price index	Dividend yield	Earnings yield
1978	11.91	12.38-12.5	12.5	10	12.44-12.63	12.38-12.5	11.69	8	12.47	479.4	5.65	16.47
1979	16.49	16.94-17.5	17	15	16.81-17.06	16.69-16.88	14.5	10.5	12.99	475.6	6.49	16.61
1980	13.58	14.63-14.88	14	11.5 -12	14.75-14.88	14.75-14.88	17.75	10.5	13.79	464.5	7.62	18.14
1981	15.39	15.5 -15.69	14.5	12.25-12.5	15.56-15.75	15.63-15.75	13.75	9.75	14.74	518.5	6.23	12.12
1982	9.96	10.63	10 -10.25	6.75- 7	10.44-10.63	10.19-10.31	9.25	6.25	12.88	574.7	5.29	10.82
1983	9.04	9.31	9	5.5	9.34- 9.41	9.25- 9.31	9.88	7.25	10.80	692.6	4.70	9.58
1984	9.33	10.13	9.5 - 9.75	6 - 6.5	10 -10.13	9.75- 9.88	8.62	6.75	10.69	854.9	4.66	10.76
1985	11.48	11.94	11.5	7.69-8.03	11.81-11.94	11.69-11.81	7.97	7	10.62	1004.6	4.61	11.48
1982 S	10.12	10.88	10.5	7.25- 7.5	10.81-10.94	10.63-10.75	11.5	7.75	11.40	580.6	5.02	11.02
O	9.03	10.63	9.5	6	9.56- 9.69	9.38- 9.5	10.41	7.75	10.50	602.0	4.76	10.54
N	10.26	9.88	9	5.5	9.69-10.5	9.63- 9.75	9.88	7.75	10.64	618.7	4.87	10.44
D	9.96	10.63	10 -10.25	6.75- 7	10.44-10.63	10.19-10.31	9.25	6.25	11.34	592.8	5.03	10.81
1983 J	11.24	11.5	11	8	11.5 -11.63	11.38-11.5	9.44	6.25	11.50	608.4	4.88	10.50
F	11.15	11.44	11	8	11.31-11.5	11.19-11.31	9.19	6.25	11.50	646.5	4.82	10.34
M	10.23	10.75	10.5	7.5	10.69-10.88	10.63-10.75	9.69	6.25	11.02	659.5	4.87	10.25
A	9.92	10.19	10	6.75	10.19-10.31	10 -10.13	8.94	6.25	10.56	685.6	4.60	9.36
M	9.93	10.25	10	6.75	10.25-10.34	10.13-10.25	9.56	6.25	10.65	690.2	4.58	9.04
J	9.51	9.69	9.5	6	9.75- 9.88	9.63- 9.75	9.81	6.25	10.39	716.6	4.47	8.88
J	9.62	9.88	9.5	6	9.88-10	9.81- 9.88	10.19	7.25	10.95	697.9	4.60	9.12
A	9.56	9.94	9.5	6	9.81- 9.94	9.69- 9.81	10.25	7.25	11.07	724.4	4.62	9.27
S	9.17	9.69	9.5	6	9.56- 9.69	9.44- 9.56	9.56	7.25	10.67	704.3	4.81	9.59
O	9.03	9.31	9	5.5	9.31- 9.38	9.81- 9.25	8.63	7.25	10.61	693.5	4.87	9.67
N	9.06	9.25	9	5.5	9.31- 9.34	9.19- 9.25	9.81	7.25	10.29	724.8	4.69	9.50
D	9.04	9.31	9	5.5	9.34- 9.41	9.25- 9.31	9.88	7.25	10.35	759.5	4.62	9.47
1984 J	9.06	9.38	9	5.5	9.44- 9.5	9.31- 9.38	9.69	7.25	10.28	810.6	4.41	9.16
F	9.05	9.31	9	5.5	9.31- 9.38	9.28- 9.34	10.13	7.25	10.42	814.6	4.50	9.48
M	8.56	8.94	8.5 - 8.75	5.25- 5.5	8.94- 9	8.84- 8.91	10.75	6.25	10.23	866.4	4.34	9.43
A	8.54	8.88	8.5 - 8.75	5.25- 5.5	8.84- 8.91	8.81- 8.88	10.97	6.25	10.40	881.1	4.36	9.93
M	9.19	9.75	9 - 9.25	5.75- 6	9.69- 9.75	9.69- 9.81	11.72	6.25	10.93	870.6	4.49	10.44
J	9.06	9.5	9.25	5.75- 6	9.5 - 9.63	9.31- 9.44	12.19	6.25	11.15	824.5	4.79	11.13
J	11.69	12.13	12	8.75- 9	12.06-12.19	11.88-12	11.88	6.25	11.67	787.6	5.08	11.80
A	10.18	10.75	10.5	7.25- 7.5	10.69-10.75	10.5 -10.63	11.94	7.75	10.98	835.8	4.93	11.57
S	10.24	10.75	10.5	7.25- 7.5	10.63-10.81	10.47-10.53	11.44	7.75	10.78	859.3	4.84	11.51
O	10.13	10.5	10.5	7.25- 7.5	10.5 -10.56	10.25-10.38	10.19	7.75	10.69	865.2	4.89	11.66
N	9.26	9.75	9.5 - 9.75	6 - 6.5	9.75- 9.81	9.56- 9.69	9.19	7.75	10.32	913.2	4.67	11.23
D	9.33	10.13	9.5 - 9.75	6 - 6.5	10 -10.13	9.75- 9.88	8.62	6.75	10.46	929.6	4.62	11.73
1985 J	11.86	12.25	12	8.5 - 9	12.25-12.38	12.06-12.19	8.56	6.75	10.96	977.1	4.42	11.15
F	13.91	14.13	14	11 -11.5	14.06-14.19	13.81-13.84	9.5	7.5	11.07	979.3	4.41	11.01
M	12.75	13.13	13 -13.5	10 -10.5	13.06-13.25	13 -13.13	9.06	7.5	10.90	987.1	4.55	11.32
A	12.27	12.63	12.5 -12.75	9.38- 9.7	12.63-12.81	12.44-12.56	8.62	8.25	10.68	969.0	4.70	11.79
M	12.16	12.50	12.5 -12.75	9.38- 9.7	12.5 -12.56	12.31-12.44	7.75	8.25	10.88	1003.8	4.58	11.52
J	12.33	12.56	12.5	9.03- 9.5	12.56-12.69	12.44-12.56	7.75	8.25	10.70	980.4	4.72	11.83
J	11.30	11.88	12	8.38- 8.75	11.56-11.94	11.69-11.81	8.19	8.25	10.44	935.2	4.96	12.38
A	11.31	11.50	11.5	7.69- 8.03	11.5 -11.69	11.31-11.44	8.06	8.25	10.37	973.6	4.82	11.88
S	11.32	11.38	11.5	7.69- 8.03	11.5- 11.56	11.31-11.44	8.12	7	10.39	1002.8	4.73	11.61
O	11.45	11.50	11.5	7.69-8.03	11.56-11.69	11.38-11.50	8.13	7	10.22	1034.23	4.64	11.35
N	11.33	11.50	11.5	7.69-8.03	11.56-11.63	11.38-11.50	8.18	7	10.27	1099.30	4.40	10.87
D	11.48	11.94	11.5	7.69-8.03	11.81-11.94	11.69-11.81	7.97	7	10.45	1113.88	4.45	11.04
1986 J	12.47	12.75	12.50	8.70-9.03	11.81-11.94	12.69-12.81	8.00	7	10.80	1127.58	4.43	10.89
F	12.21	12.25	12.50	8.70-9.03	12.25-12.38	12.13-12.38	7.75	7	10.40	1220.80	4.27	10.32

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.
2 For a minimum term of 3 months and thereafter at 7 days' notice.
3 Rate paid on deposits of less than £10 000, which was restricted to 9.5% from September 1973 to 28 February 1975.
4 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.
5 Net of income tax where this is paid by societies at the agreed composite rate.
6 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see Financial Statistics Explanatory handbook.


Interest rates, and security yields
Percentage
16
14
12
10
8
6
4
2
0
Financial Times index of industrial ordinary shares earnings yield
Long dated government securities
Inter-bank 3 month rate
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1984
1985
1986

Cyclical indicators for the UK economy

Recent movements of the indicators

There continues to be no further evidence about the likely future pattern of cyclical developments in the UK economy. Volatility in some of the component series for the two leading indices remains a problem. The path of the coincident index is consistent with the mild slowdown in economic growth which occurred last year.

The longer leading indicator in February is estimated, provisionally, to have risen fairly sharply - as a result of the strong growth in share prices - offsetting the fall in the preceding two months. The series presents no clear signal about future developments.

The shorter leader was fairly flat during the earlier part of last year after the modest decline, which began in early 1984. The recent renewed growth mainly reflects the buoyancy of consumer credit more than offsetting downward effects from most other available components. Sharp month to month movements in consumer credit and, to a lesser extent, new car registrations make assessments of this composite indicator difficult.

The coincident index has been declining since about the middle of last year.

The lagging index has been broadly unchanged for just over twelve months now.

The occurrence of a peak in economic activity would not necessarily imply a subsequent fall in the level of activity, but rather a reduction in the underlying rate of growth.

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of simpler amplitude, and inversion where appropriate.

Information included in the table below is based on monthly and quarterly data available to 24 March.

Precise details on data availability for each of the component series used in the compilation of the indicators is shown in a table on page 70.

Recent movements of the indicators

Jan 1980=100

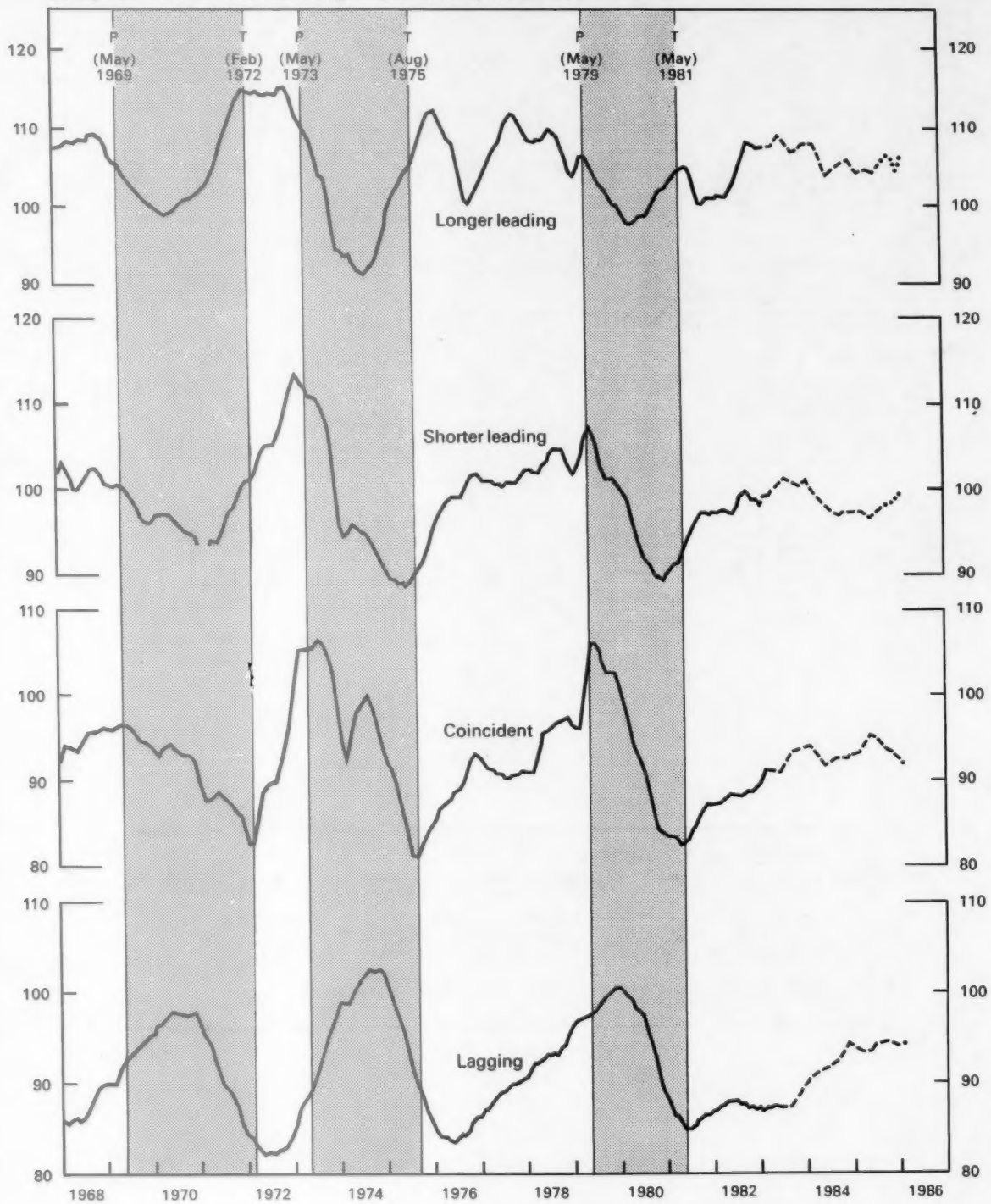
	Most recent values January 1980=100													Lead (-) or lag (+) in months relative to reference cycle dates		
	1985											1986				
	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mean	Earliest	Latest
Longer leading ..	104.8 5	104.3 5	104.3 5	104.5 5	104.3 5	104.3 5	104.7 5	105.2 5	105.9 4	106.3 4	105.6 4	104.9 4	106.3 2	-12	-21	-5
Shorter leading ..	97.2 5	97.2 5	96.9 5	96.6 5	96.9 5	97.2 5	97.7 5	98.0 5	98.1 4	98.2 4	98.7 4	99.2 4		-5	-12	0
Coincident	93.5 7	93.8 7	94.5 7	95.2 7	95.0 7	94.8 7	94.0 7	93.7 7	93.5 7	92.9 7	92.7 7	91.8 4		0	-7	+5
Lagging	93.5 5	93.3 5	93.5 5	93.7 5	94.2 5	94.3 5	94.4 5	94.6 5	94.3 5	94.2 5	94.0 5	94.2 2		+10	+1	+17

1 A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend- elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to- month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend- elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7661.

Cyclical indicators

Composite indices of indicator groups. January 1980 = 100



The indicators: Their timing characteristics and data availability

Indicators	Latest data included	Timing relative to reference cycle dates (1) (-) leads, (+) lags months Average (mean)	Earliest	Latest
Longer leading				
Composite longer leading index	Feb 1986	-12	-21	- 5
Component series:				
Rate of interest, 3 months prime bank bills (2)	Feb 1986	-17	-28	-11
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator	1985 Q3	-15	-21	- 9
Total dwellings started, Great Britain	Jan 1986	-10	-25	+ 6
Financial Times - Actuaries 500 share index (2,3)	Feb 1986	- 9	-20	- 4
CBI quarterly survey: change in optimism (2)	Jan 1986	-10	-19	- 4
Shorter leading				
Composite shorter leading index	Jan 1986	- 5	-12	0
Component series:				
Credit extended by finance houses, retailers and other credit grantors	Jan 1986	- 8	-16	+ 3
New car registrations	Jan 1986	- 7	-28	0
CBI quarterly survey: change in new orders (2)	Jan 1986	- 8	-28	+ 2
CBI quarterly survey: expected change in stocks of materials (2)	Jan 1986	- 5	-15	- 2
Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator	1985 Q3	- 6	-18	0
Roughly coincident				
Composite coincident index	Jan 1986	0	- 7	+ 5
Component series:				
Gross domestic product (expenditure)	1985 Q4	+ 1	- 9	+10
Gross domestic product (output)	1985 Q4	- 2	- 7	+ 1
Gross domestic product (income)	1985 Q4	+ 1	- 3	+ 5
Volume of retail sales	Feb 1986	- 3	-15	+ 6
Output of the production industries	Jan 1986	- 1	- 4	+ 2
CBI quarterly survey: capacity utilisation	Jan 1986	+ 2	- 3	+ 7
CBI quarterly survey: change in stocks of materials	Jan 1986	- 1	- 6	+ 8
Lagging				
Composite lagging index	Jan 1986	+10	+ 1	+17
Component series:				
Unemployment index (3)	Feb 1986	+ 6	- 1	+14
Total employment in manufacturing industries United Kingdom	Jan 1986	+ 8	- 1	+15
Investment in plant and machinery, manufacturing industry	1985 Q4	+11	+ 6	+18
Engineering industries, volume index for orders on hand	Dec 1985	+ 7	- 4	+15
Level of stocks and work in progress, manufacturing industry	1985 Q4	+11	0	+20

1 Assessed on performance up to last identified trough, May 1981.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.

HOW TO FIND THE FIGURES

Earnings, betting and gaming, travel, population projections and estimates, retailing trade, education in schools, universities - do you know where to get the essential facts and figures?

Government Statistics - a brief guide to sources is a free booklet listing the most important, regular publications containing official statistics. It also gives departmental contact points for statistical information including addresses and telephone numbers of the general enquiry points at the Central Statistical Office, the Statistics and Market Intelligence Library and the Business Statistics Office.

The 1985 Edition is available free from: Information Services Division, Room 58/G, Government Offices, Great George Street, London, SW1P 3AQ.

Measures of variability of selected economic series (1)

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1980 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1970 to 2nd quarter 1985	1.4	1.0	0.9	1.0	2	0.4
Income based	6	1st quarter 1970 to 2nd quarter 1985	1.2	0.7	0.9	0.8	1	0.8
Output based	6,28	1st quarter 1970 to 2nd quarter 1985	1.0	0.6	0.8	0.7	1	0.7
Average estimate	6	1st quarter 1970 to 2nd quarter 1985	1.0	0.6	0.8	0.8	1	0.8
Consumers' expenditure	8,10	1st quarter 1970 to 2nd quarter 1985	1.1	0.7	0.8	0.8	1	0.8
Fixed capital formation								
Total	8,16	1st quarter 1970 to 2nd quarter 1985	2.3	1.8	1.4	1.3	2	0.5
Manufacturing industry	18	1st quarter 1970 to 2nd quarter 1985	3.4	1.7	2.6	0.6	1	0.6
Stockbuilding(2)								
Total	8,22	1st quarter 1970 to 2nd quarter 1985	406.4	264.9	257.2	1.0	2	0.5
Manufacturing	22	1st quarter 1970 to 2nd quarter 1985	280.2	189.9	169.5	1.1	2	0.5
Exports: goods and services	8	1st quarter 1970 to 2nd quarter 1985	3.0	2.3	1.7	1.3	2	0.6
Imports: goods and services	8	1st quarter 1970 to 2nd quarter 1985	3.2	2.3	2.2	1.1	2	0.4
Real personal disposable income	10	1st quarter 1970 to 2nd quarter 1985	1.8	1.3	1.2	1.1	2	0.4
Other national income series								
Gross trading profits of industrial and commercial companies	60	1st quarter 1970 to 2nd quarter 1985	6.3	3.0	4.8	0.6	1	0.6
Other quarterly series								
Construction output(3)	30	1st quarter 1970 to 2nd quarter 1985	2.1	1.3	1.4	1.0	1	1.0
Public sector borrowing requirement(4)	56	1st quarter 1970 to 2nd quarter 1985	739.8	505.3	376.3	1.3	2	0.7
Personal saving ratio(5)	10	1st quarter 1970 to 2nd quarter 1985	1.5	1.2	0.7	1.8	2	0.8
Monthly series								
Retail sales								
Food retailers	12	January 1971 to December 1985	0.9	0.8	0.3	2.9	4	0.7
Mixed retail businesses	12	January 1971 to December 1985	2.0	1.9	0.5	3.7	5	0.7
Clothing and footwear retailers	12	January 1971 to December 1985	2.5	2.4	0.5	4.5	5	0.8
Household goods retailers	12	January 1971 to December 1985	2.5	2.4	0.7	3.2	4	0.9
Other non-food retailers	12	January 1971 to December 1985	1.4	1.3	0.4	3.2	4	1.0
Cars: new registrations	12	January 1975 to December 1984	9.8	9.8	0.9	11.5	6	
Housing: public authorities(6)								
Starts	20	January 1956 to December 1983	12.7	12.4	2.0	6.2	6	
Completions	20	January 1956 to December 1983	8.4	8.3	1.3	6.4	6	1.0
Housing: private								
Starts	20	January 1956 to December 1983	9.5	9.5	1.8	5.3	6	1.0
Completions	20	January 1956 to December 1983	6.4	6.3	1.0	6.3	6	
Index of industrial production:								
Production industries(Revised definition)	5,26,28	January 1973 to May 1985	1.2	1.0	0.5	2.1	3	0.9
Manufacturing industries(Revised definition)	26,28	January 1973 to May 1985	1.4	1.3	0.4	2.8	4	0.8
Passenger car production:								
Home market	32	January 1976 to December 1984	12.1	11.8	1.8	6.5	6	1.3
Export	32	January 1976 to December 1984	15.6	15.0	2.7	5.6	6	1.0
Commercial vehicle production:								
Home market	32	January 1976 to December 1984	10.4	9.1	3.1	2.9	4	0.9
Export	32	January 1976 to December 1984	9.6	8.9	2.7	3.3	5	0.8
Unemployed males - excluding school-leavers(7)	(5,36)	January 1971 to October 1985	15.9	4.4	14.9	0.3	1	0.3
Unemployed females - excluding school-leavers(7)	(5,36)	January 1971 to October 1985	6.0	1.7	5.7	0.3	1	0.3
Vacancies unfilled at jobcentres (7)	(5,36)	April 1978 to September 1985	4.2	1.9	3.5	0.5	1	0.5
Average earnings: whole economy	40	January 1976 to December 1982	1.0	0.3	1.0	0.3	1	0.3
Exports: value, f.o.b.(8)	48	January 1970 to September 1984	3.3	3.0	1.3	2.3	3	0.7
Imports: value, f.o.b.(8)	48	January 1970 to September 1984	4.0	3.6	1.7	2.1	2	1.0
Money stock - £M3(9)	5,52	January 1980 to March 1985	1.2	0.8	1.1	0.7	1	0.7

1 For a complete description of these measures see article 'Measuring variability in economic time series' in Economic Trends, No 228, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes (2,4,6 and 8).
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters)for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are on average, greater than the irregular movement.
2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.
3 Series relates to Great Britain.
4 The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.
5 The figures in the table were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in percentage points.
6 Series relate to Great Britain, though variability measures calculated from England and Wales component.
7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of Employment Gazette.
The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.
8 The figures have been updated as described in an article in Economic Trends, No 320, June 1980.
9 Although £M3 flows are seasonally adjusted additively, the figures above for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ for levels are presented as percentages of the level of the trend in the preceding month.

Economic Trends No.389 March 1986 *c Crown Copyright 1986*

United Kingdom Balance of Payments: preliminary figures for the fourth quarter and year 1985

Preliminary figures indicate that the UK current account was in surplus by £0.9 billion (seasonally adjusted) in the fourth quarter of 1985. Although there were special factors adversely affecting visible trade and transfers the estimated surplus for 1985 as a whole was £3.0 billion. There were estimated current account surpluses of £0.9 billion in 1984 and £3.2 billion in 1983 (Table 1).

Visible trade was in deficit in the fourth quarter by £0.2 billion and showed a deficit of £2.1 billion for 1985 overall. This compares with deficits of £4.4 billion in 1984 and £0.8 billion in 1983 (Table 2). The deficits in 1984 and 1985 are estimated to have been increased by the coal strike by £2¾ billion and £1¼ billion respectively.

The preliminary figures for invisible transactions in the quarter show a surplus of £1.1 billion, producing an estimated invisibles surplus for 1985 of £5.0 billion. This compares with £5.3 billion in 1984 and £4.0 billion in 1983. It must be stressed that figures for invisible transactions, particularly for the most recent quarters, are liable to substantial revisions as later information becomes available. (Table 4).

The preliminary estimates for the fourth quarter put the net credit on services at £1.7 billion (Table 5). Net investment earnings (ie of interest, profits and dividends) are estimated at £0.4 billion and include an unusually low level of direct investment earnings, reflecting a number of extraordinary items which have been taken against profits. In particular, there was a charge of £0.6 billion against BP's share of the profits of its US subsidiary Sohio (Table 6). Net transfer payments overseas are put at £0.9 billion (Table 7).

The estimated surplus on trade in services in 1985, £6.3 billion, compares with £4.2 billion in 1984 and £3.7 billion in 1983. Net earnings on financial and other services increased by £0.8 billion between 1983 and 1984 and by a further £1.2 billion between 1984 and 1985. The travel account which was in deficit by £0.1 billion in 1983 and 1984 recorded a surplus of £0.6 billion in 1985 (Table 5).

The preliminary estimate of the balance on interest, profits and dividends in 1985 is £2.3 billion compared with £3.3 billion in 1984 and £2.5 billion in 1983. Between 1984 and 1985 there was an increase of £1.5 billion in net payments on external foreign currency borrowing and lending by UK banks. This was partly offset by an increase of £0.7 billion in banks' receipts on portfolio investment; a reflection of their increasing tendency to hold foreign currency assets in a marketable form classified as portfolio investment (Table 6).

The deficit on transfers in 1985 was £3.6 billion, up from £2.3 billion in 1984 and £2.1 billion in 1983. The deficit with EC institutions which rose by £0.1 billion between 1983 and 1984 increased by £1.2 billion between 1984 and 1985 (Table 7).

Exceptionally, payments under the 1984 and 1985 Inter-Governmental Agreements were both made in 1985; and there was a delay until January 1986 in the receipt of most (£439 million) of the lump sum VAT abatement arising from the UK's excessive net contribution to the 1984 Community budget. The deficit on transfers with EC institutions exceeded the UK's net contribution to the Community budget by around £170 million. The main reason for this difference is that the figure for net transfers excludes receipts of own resources refunds, which are classified as services.

Although figures for investment and other capital transactions for the fourth quarter are not yet complete (they exclude the series for UK non-bank private sector transactions with banks overseas) they show an inflow of £3.2 billion compared with an outflow of £4.2 billion in the third quarter (Table 8).

The major movement between the two quarters occurred in foreign currency borrowing and lending by UK banks. The unusual net outflow of £2.5 billion under this heading in the third quarter was replaced by an exceptionally large net inflow of £5.3 billion in the fourth (Table 8).

UK companies' direct investment in the form of unremitted profits was low in the fourth quarter reflecting the extraordinary charges against profits mentioned in connection with earnings (Table 10).

There are indications of net disinvestment by UK security dealers from their overseas portfolio holdings in the fourth quarter (Table 10).

The preliminary figure for identified capital transactions in 1985 shows a net outflow of £2.9 billion compared with outflows of £5.7 billion in 1984 and £5.3 billion in 1983. UK banks' foreign currency borrowing and lending abroad resulted in a net inflow of £5.1 billion in 1985 following an exceptionally high inflow of £9.1 billion in 1984. External sterling lending by UK banks was sharply lower in 1985, at £1.7 billion, compared with £4.7 billion in 1984; there were net repayments by overseas residents from the second quarter of 1985 (Table 8).

UK private investment overseas in 1985 at £22.2 billion was £6.9 billion above that in the preceding year. This was mainly the result of an increase in portfolio investment overseas by UK non-bank financial institutions following the low 1984 figure. Overseas investment in the UK rose to £7.5 billion in 1985 from £3.6 billion in 1984, largely reflecting increased portfolio investment in UK company securities, including bonds issued by banks (Tables 9 and 10).

Central Statistical Office

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BALANCE OF PAYMENTS SUMMARY

TABLE 1

£ million

		Seasonally adjusted					Not seasonally adjusted					
		Visible trade (balance)	Invisibles (balance)				Current balance	Capital transfers	Investment and other capital transactions	Allocation of SDRs and gold subscription to IMF	Official financing	Balancing item
			Services	I.P.D.	Transfers	Total						
		AIMA	AIMC	AIMD	AIME	AIMB	AIMF	AIMG	CGPS	HHAO	AIMI	AIOQ	AASA
1974		-5 351	949	1 507	-422	2 034	-3 317	-3 317	-75	1 602	-	1 646	144
1975		-3 333	1 336	890	-475	1 751	-1 582	-1 582	-	154	-	1 466	-37
1976		-3 929	2 245	1 557	-786	3 016	-913	-913	-	-2 977	-	3 629	261
1977		-2 284	3 038	246	-1 128	2 156	-128	-128	-	4 169	-	-7 361	3 320
1978		-1 542	3 478	827	-1 791	2 514	972	972	-	-4 257	-	1 126	2 159
1979		-3 449	3 804	1 188	-2 279	2 713	-736	-736	-	1 636	195	-1 905	610
1980		1 361	4 036	-219	-2 078	1 739	3 100	3 100	-	-1 547	180	-1 372	-361
1981		3 360	3 870	948	-1 952	2 866	6 226	6 226	-	-7 181	158	687	110
1982		2 331	2 545	1 058	-2 001	1 702	4 033	4 033	-	-3 654	-	1 284	-1 663
1983		-835	3 671	2 468	-2 140	3 999	3 164	3 164	-	-5 254	-	820	1 270
1984		-4 391	4 225	3 342	-2 297	5 270	879	879	-	-5 713	-	1 316	3 518
1985		-2 068	6 291	2 294	-3 565	5 020	2 952	2 952	-	-2 860	-	-927	835
1977	1	-933	688	150	-245	593	-340	-868	-	1 620	-	-1 913	961
	2	-917	759	25	-273	511	-406	-506	-	14	-	-908	1 400
	3	-166	783	17	-323	477	311	554	-	1 256	-	-2 606	698
	4	-268	808	54	-287	575	307	392	-	1 279	-	-1 932	261
1978	1	-562	845	104	-534	415	-147	-457	-	-152	-	-173	782
	2	-159	758	281	-383	656	497	290	-	-2 202	-	1 494	418
	3	-557	927	224	-465	686	129	551	-	-455	-	-210	114
	4	-264	948	218	-409	757	493	588	-	-1 448	-	15	845
1979	1	-1 433	952	440	-526	866	-567	-917	-	459	195	-879	1 142
	2	-479	870	144	-492	522	43	-167	-	760	-	-758	165
	3	-723	981	458	-609	830	107	528	-	56	-	-297	-287
	4	-814	1 001	146	-652	495	-319	-180	-	561	-	29	-410
1980	1	-388	1 043	-86	-506	441	53	-351	-	-507	180	-689	1 367
	2	-250	989	-173	-599	217	-33	-257	-	358	-	-246	145
	3	843	949	-29	-590	330	1 173	1 420	-	167	-	-279	-1 308
	4	1 156	1 055	79	-383	751	1 907	2 288	-	-1 565	-	-158	-565
1981	1	1 738	1 052	172	-163	1 061	2 799	2 490	-	-3 839	158	-319	1 510
	2	1 268	980	311	-673	618	1 886	1 581	-	-1 939	-	165	213
	3	33	886	235	-761	360	393	529	-	-1 186	-	709	-52
	4	321	952	230	-355	827	1 148	1 646	-	-217	-	132	-1 561
1982	1	442	776	-104	60	732	1 174	844	-	-36	-	31	-839
	2	197	673	328	-807	194	391	-35	-	160	-	661	-786
	3	621	505	302	-695	112	733	808	-	-1 435	-	-247	874
	4	1 071	691	532	-559	664	1 735	2 416	-	-2 343	-	839	-912
1983	1	69	975	642	-122	1 495	1 564	1 308	-	-2 582	-	616	658
	2	-465	919	267	-783	403	-62	-541	-	1 057	-	-129	-387
	3	-86	869	936	-509	1 296	1 210	1 224	-	550	-	5	-1 779
	4	-353	908	623	-726	805	452	1 173	-	-4 279	-	328	2 778
1984	1	-65	1 041	529	-525	1 045	980	509	-	-784	-	190	85
	2	-1 240	983	862	-748	1 097	-143	-708	-	-2 006	-	668	2 048
	3	-1 463	1 145	891	-731	1 305	-158	-131	-	-1 370	-	343	1 158
	4	-1 623	1 056	1 060	-293	1 823	200	1 209	-	-1 553	-	115	229
1985	1	-1 286	1 220	712	-1 040	892	-374	-987	-	-2 348	-	274	3 061
	2	-124	1 662	501	-706	1 457	1 333	798	-	447	-	-438	-807
	3	-453	1 729	715	-919	1 525	1 072	1 187	-	-4 165	-	32	2 946
	4	-225	1 680	366	-900	1 146	921	1 954	-	3 206	-	-795	-4 365

VISIBLE TRADE IN THE BALANCE OF PAYMENTS

TABLE 2

£ million

	Not seasonally adjusted		Seasonally adjusted								
	Total goods		Total goods			Of which: Oil			Non-oil		
	Exports (f.o.b.)	Imports (f.o.b.)	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance
	CGJP	CGGL	CGKG	CGHK	AIMA	CGQE	CGQG	CGQI	CGQF	CGQH	CGQJ
1974	16 394	21 745	16 394	21 745	-5 351	710	4 067	-3 357	15 684	17 678	-1 994
1975	19 330	22 663	19 330	22 663	-3 333	734	3 791	-3 057	18 596	18 872	-276
1976	25 191	29 120	25 191	29 120	-3 929	1 172	5 119	-3 947	24 019	24 001	18
1977	31 728	34 012	31 728	34 012	-2 284	1 979	4 750	-2 771	29 749	29 262	487
1978	35 063	36 605	35 063	36 605	-1 542	2 235	4 219	-1 984	32 828	32 386	442
1979	40 687	44 136	40 687	44 136	-3 449	4 158	4 889	-731	36 529	39 247	-2 718
1980	47 422	46 061	47 422	46 061	1 361	6 133	5 818	315	41 289	40 243	1 046
1981	50 977	47 617	50 977	47 617	3 360	9 107	5 996	3 111	41 870	41 621	249
1982	55 565	53 234	55 565	53 234	2 331	10 686	6 043	4 643	44 879	47 191	-2 312
1983	60 776	61 611	60 776	61 611	-835	12 501	5 525	6 976	48 275	56 086	-7 811
1984	70 367	74 758	70 367	74 758	-4 391	14 852	7 915	6 937	55 515	66 843	-11 328
1985	78 072	80 140	78 072	80 140	-2 068	16 050	7 887	8 163	62 022	72 253	-10 231
1977 1	7 484	8 572	7 437	8 370	-933	471	1 240	-769	6 966	7 130	-164
2	7 998	8 905	7 914	8 831	-917	515	1 289	-774	7 399	7 542	-143
3	8 131	8 268	8 354	8 520	-166	564	1 153	-589	7 790	7 367	423
4	8 115	8 267	8 023	8 291	-268	429	1 068	-639	7 594	7 223	371
1978 1	8 138	8 920	8 282	8 844	-562	485	1 096	-611	7 797	7 748	49
2	9 125	9 315	8 790	8 949	-159	554	966	-412	8 236	7 983	253
3	8 502	8 978	8 854	9 411	-557	613	1 115	-502	8 241	8 296	-55
4	9 238	9 392	9 137	9 401	-264	583	1 042	-459	8 554	8 359	195
1979 1	8 444	10 095	8 313	9 746	-1 433	757	964	-207	7 556	8 782	-1 226
2	10 813	11 370	10 759	11 238	-479	946	1 167	-221	9 813	10 071	-258
3	10 091	10 680	10 497	11 220	-723	1 162	1 326	-164	9 335	9 894	-559
4	11 339	11 991	11 118	11 932	-814	1 293	1 432	-139	9 825	10 500	-675
1980 1	12 012	12 679	11 979	12 367	-388	1 429	1 535	-106	10 550	10 832	-282
2	11 915	12 223	11 957	12 207	-250	1 555	1 562	-7	10 402	10 645	-243
3	11 430	10 570	11 728	10 885	843	1 539	1 344	195	10 189	9 541	648
4	12 065	10 589	11 758	10 602	1 156	1 610	1 377	233	10 148	9 225	923
1981 1	11 755	10 277	11 843	10 105	1 738	2 071	1 306	765	9 772	8 799	973
2	12 295	11 178	12 274	11 006	1 268	2 218	1 331	887	10 056	9 675	381
3	12 786	12 760	13 236	13 203	33	2 432	1 662	770	10 804	11 541	-737
4	14 141	13 402	13 624	13 303	321	2 386	1 697	689	11 238	11 606	-368
1982 1	13 342	13 280	13 481	13 039	442	2 367	1 662	705	11 114	11 377	-263
2	13 802	13 783	13 857	13 660	197	2 437	1 526	911	11 420	12 134	-714
3	13 473	12 839	13 803	13 182	621	2 853	1 495	1 358	10 950	11 687	-737
4	14 948	13 332	14 424	13 353	1 071	3 029	1 360	1 669	11 395	11 993	-598
1983 1	14 690	14 945	14 682	14 613	69	3 087	1 318	1 769	11 595	13 295	-1 700
2	14 760	15 505	14 745	15 210	-465	2 936	1 386	1 550	11 809	13 824	-2 015
3	14 782	14 921	15 290	15 376	-86	2 962	1 400	1 562	12 328	13 976	-1 648
4	16 544	16 240	16 059	16 412	-353	3 516	1 421	2 095	12 543	14 991	-2 448
1984 1	16 856	17 373	16 673	16 738	-65	3 625	1 341	2 284	13 048	15 397	-2 349
2	16 840	18 423	16 860	18 100	-1 240	3 421	1 890	1 531	13 439	16 210	-2 771
3	16 702	18 209	17 649	19 112	-1 463	3 740	1 971	1 769	13 909	17 141	-3 232
4	19 969	20 753	19 185	20 808	-1 623	4 066	2 713	1 353	15 119	18 095	-2 976
1985 1	19 990	21 796	20 070	21 336	-1 266	4 721	2 763	1 958	15 349	18 573	-3 224
2	20 236	20 649	20 237	20 361	-124	4 336	1 925	2 411	15 901	18 436	-2 535
3	17 942	18 429	18 748	19 201	-453	3 410	1 509	1 901	15 338	17 692	-2 354
4	19 904	19 266	19 017	19 242	-225	3 583	1 690	1 893	15 434	17 552	-2 118

VOLUME, IMPLIED PRICE AND UNIT VALUE INDICES

TABLE 3

1980=100

	Seasonally adjusted				Not seasonally adjusted						
	Volume indices				Implied price indices (1)			Unit value indices (2)		Terms of trade (3)	
	All goods	Non-oil goods	Services	Goods and services	Goods	Services	Goods and services	All goods	Non-oil goods	All goods	Non-oil goods
Exports	CGTK	CGSQ	HHDK	HHDL	HBYB	HCJW	HCGX	CGTJ	CGSS	CGTN	CGSU
1974	81.0	86.8	91.3	83.6	42.7	46.0	43.6	41.5	43.3	81.5	81.0
1975	77.8	83.5	91.9	81.3	52.4	53.2	52.6	50.9	53.2	87.6	87.7
1976	85.4	91.2	98.1	88.6	62.2	65.1	63.0	60.8	63.5	85.7	87.4
1977	92.1	97.0	101.8	94.4	72.7	72.9	72.7	72.0	75.2	87.7	89.0
1978	94.5	98.2	101.5	96.2	78.2	78.1	78.2	79.1	83.1	92.7	92.8
1979	99.1	98.7	102.8	100.0	86.6	88.9	87.2	87.6	90.7	96.4	96.3
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	99.3	96.3	95.4	98.3	108.3	113.1	109.5	108.8	106.5	100.5	101.1
1982	101.9	97.3	92.2	99.5	115.0	121.0	116.4	116.2	113.9	99.6	100.9
1983	103.8	97.2	96.8	102.0	123.5	129.1	124.8	125.7	123.6	98.6	99.4
1984	112.5	105.1	100.2	109.4	131.9	139.9	133.7	136.0	133.5	97.4	98.0
1985	118.6	110.6	108.3	116.0	138.8	146.2	140.5	143.5	141.8	98.8	99.9
	CGTR	CGSV	CGSI	HHCX	HHCZ	CGTA	HHDB	CGTO	CGSX	CGTQ	CGSZ
1982 1	100.8	98.3	95.1	99.4	112.7	116.6	113.6	114.3	111.7	100.1	101.3
2	103.3	99.4	93.5	100.9	113.1	120.0	114.7	114.4	112.7	99.0	100.2
3	100.1	94.2	90.5	97.7	116.3	121.5	117.6	117.2	115.0	100.1	101.5
4	103.3	97.3	89.8	99.9	117.8	125.9	119.5	119.0	116.0	99.2	100.6
1983 1	102.1	95.8	96.4	100.7	121.3	127.6	122.7	123.0	120.3	98.8	99.4
2	101.3	95.2	97.6	100.4	122.7	127.3	123.8	124.9	123.0	98.5	99.2
3	103.7	98.3	97.8	102.2	124.4	128.4	125.5	126.9	125.1	99.4	100.3
4	107.9	99.5	95.6	104.9	125.5	133.0	127.2	128.2	126.0	98.3	99.0
1984 1	109.5	102.0	99.0	106.9	128.5	137.0	130.3	131.4	129.0	98.2	98.7
2	109.1	102.7	99.5	106.7	130.3	138.7	132.2	134.3	131.7	97.5	97.9
3	112.6	104.3	101.1	109.7	132.2	138.4	133.8	137.1	135.2	96.9	98.0
4	118.7	111.5	101.3	114.4	136.3	145.5	138.2	141.3	138.1	96.9	97.6
1985 1	118.6	109.2	105.2	115.3	142.7	149.4	144.1	146.4	142.2	96.1	96.7
2	120.5	112.1	110.0	117.9	141.6	145.6	142.5	145.5	142.8	97.8	98.7
3	116.3	110.0	108.4	114.4	136.0	143.2	137.9	141.7	141.6	100.2	101.7
4	118.9	111.3	109.6	116.6	134.9	147.4	137.6	140.5	140.6	101.6	103.0
Imports	CGTM	CGSR	HHDM	HHDN	HBYD	HCKY	HCKX	CGTL	CGST		
1974	92.7	80.0	89.9	92.2	50.9	53.9	51.5	50.9	53.4		
1975	84.7	75.5	89.2	85.7	58.1	61.0	58.6	58.0	60.7		
1976	89.6	80.7	87.7	89.3	70.5	76.0	71.6	70.9	72.7		
1977	91.3	85.2	86.8	90.4	80.9	84.9	81.6	82.1	84.5		
1978	95.5	90.4	87.5	93.9	83.2	87.9	84.1	85.2	89.5		
1979	105.7	103.0	96.1	103.8	90.6	94.0	91.3	90.9	94.2		
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
1981	96.3	98.6	99.3	96.9	107.4	112.8	108.5	108.2	105.3		
1982	101.5	105.7	102.9	101.8	113.9	124.0	115.9	116.7	112.8		
1983	109.7	116.4	99.6	107.6	122.0	137.3	124.8	127.5	124.3		
1984	121.9	128.2	101.9	117.8	133.2	149.6	136.0	139.7	136.2		
1985	125.7	132.9	104.3	121.4	138.4	152.7	140.9	145.2	141.9		
	CGTS	CGSW	CGSP	HHCY	HHDA	CGTB	HHDC	CGTP	CGSY		
1982 1	100.5	103.5	102.3	100.9	112.6	120.4	114.0	114.3	110.3		
2	104.7	108.6	104.8	104.7	113.3	122.5	115.1	115.5	112.5		
3	100.2	104.5	104.3	101.1	114.2	123.8	116.5	117.1	113.2		
4	100.5	106.3	100.3	100.4	115.4	128.8	118.1	120.0	115.3		
1983 1	105.6	112.3	96.2	103.7	120.3	139.9	123.5	125.1	121.0		
2	108.0	114.1	99.2	106.2	122.3	134.8	124.6	126.7	124.0		
3	110.0	116.7	101.7	108.3	121.4	134.8	124.5	127.7	124.7		
4	115.1	122.6	101.4	112.3	123.8	141.0	125.7	130.4	127.4		
1984 1	113.9	122.1	103.0	111.7	127.7	145.7	130.6	133.9	130.7		
2	120.2	126.1	102.5	116.6	130.9	146.2	133.6	137.6	134.6		
3	123.3	130.2	98.6	118.3	134.7	148.9	137.7	141.4	137.9		
4	130.1	134.4	103.5	124.8	138.9	158.0	141.9	145.8	141.6		
1985 1	126.6	131.8	104.7	122.2	146.2	155.0	149.0	152.3	147.1		
2	124.8	132.4	102.5	120.3	141.6	152.6	143.5	148.8	144.7		
3	124.1	132.9	102.0	119.6	134.3	145.2	136.6	141.4	139.3		
4	127.4	134.7	107.8	123.5	131.0	150.8	134.2	138.3	136.5		

1. Current price value as a percentage of value at 1980 prices. Shows the price difference compared with 1980 for the current pattern of trade.
2. Shows the price difference compared with 1980 for the 1980 pattern of trade (the 1975 pattern up to 1977). Not available for services.
3. Export unit value indices as a percentage of import unit value indices. These values are shown against 'exports' for convenience.

INVISIBLES: SUMMARY

TABLE 4

£ million

		Seasonally adjusted											Not seasonally adjusted		
		Invisibles credits				Invisibles debits				Invisibles balance			Total invisibles		
											of which:				
		Services	IPD	Transfers	Total	Services	IPD	Transfers	Total	Total	Private sector and PC: services and IPD	Gen. govt. transactions and private transfers	Credits	Debits	Balance
		CGKS	CGKL	CGKT	CGKR	CGHU	CGHJ	CGHV	CGHT	AIMB	CGIV	CGIS	CGJY	CGGY	CGIK
1974		6 594	6 209	489	13 292	5 645	4 702	911	11 258	2 034	3 327	-1 293	13 292	11 258	2 034
1975		7 677	6 565	759	15 001	6 341	5 875	1 234	13 250	1 751	3 309	-1 558	15 001	13 250	1 751
1976		10 019	8 385	790	19 194	7 774	6 828	1 576	16 178	3 016	5 102	-2 086	19 194	16 178	3 016
1977		11 625	8 796	912	21 333	8 587	8 550	2 040	19 177	2 156	4 697	-2 541	21 333	19 177	2 156
1978		12 440	11 202	1 213	24 855	8 962	10 375	3 004	22 341	2 514	5 601	-3 087	24 855	22 341	2 514
1979		14 336	17 526	1 351	33 213	10 532	16 338	3 630	30 500	2 713	6 300	-3 587	33 213	30 500	2 713
1980		15 693	23 512	1 800	41 005	11 657	23 731	3 878	39 266	1 739	5 060	-3 321	41 005	39 266	1 739
1981		16 928	37 113	2 624	56 665	13 058	36 165	4 576	53 799	2 866	6 259	-3 393	56 665	53 799	2 866
1982		17 515	43 890	3 275	64 680	14 870	42 832	5 276	62 978	1 702	5 797	-4 095	64 680	62 978	1 702
1983		19 814	42 089	3 522	65 225	15 943	39 621	5 662	61 226	3 999	8 240	-4 241	65 225	61 226	3 999
1984		21 999	50 684	3 808	76 491	17 774	47 342	6 105	71 221	5 270	9 980	-4 710	76 491	71 221	5 270
1985		24 845	51 689	3 493	80 027	18 554	49 395	7 058	75 007	5 020	11 374	-6 354	80 027	75 007	5 020
1977	1	2 765	2 166	229	5 160	2 077	2 016	474	4 567	593	1 222	-629	4 835	4 415	420
	2	2 869	2 135	212	5 216	2 110	2 110	485	4 705	511	1 158	-647	5 161	4 760	401
	3	2 994	2 191	220	5 405	2 211	2 174	543	4 928	477	1 146	-669	5 876	5 085	791
	4	2 997	2 304	251	5 552	2 189	2 250	538	4 977	575	1 171	-596	5 461	4 917	544
1978	1	3 002	2 459	265	5 726	2 157	2 355	799	5 311	415	1 286	-871	5 408	5 143	265
	2	3 018	2 784	283	6 085	2 260	2 503	666	5 429	656	1 364	-708	5 984	5 504	480
	3	3 187	2 848	318	6 353	2 260	2 624	783	5 667	686	1 492	-806	6 870	5 843	1 027
	4	3 233	3 111	347	6 691	2 285	2 893	756	5 934	757	1 459	-702	6 593	5 851	742
1979	1	3 375	3 773	306	7 454	2 423	3 333	832	6 588	866	1 702	-836	7 117	6 383	734
	2	3 468	4 048	342	7 858	2 598	3 904	834	7 336	522	1 370	-848	7 779	7 389	390
	3	3 640	4 543	345	8 528	2 659	4 085	954	7 698	830	1 746	-916	9 064	7 947	1 117
	4	3 853	5 162	358	9 373	2 852	5 018	1 010	8 878	495	1 482	-987	9 253	8 781	472
1980	1	3 942	5 665	422	10 029	2 899	5 761	928	9 588	441	1 199	-758	9 608	9 292	316
	2	3 923	6 192	408	10 523	2 934	6 385	1 007	10 306	217	1 193	-976	10 418	10 367	51
	3	3 874	5 642	423	9 939	2 925	5 671	1 013	9 609	330	1 212	-882	10 562	10 002	560
	4	3 954	6 013	547	10 514	2 899	5 934	930	9 763	751	1 456	-705	10 417	9 605	812
1981	1	4 034	7 121	984	12 139	2 982	6 949	1 147	11 078	1 061	1 485	-424	11 766	10 754	1 012
	2	4 154	8 343	408	12 905	3 174	8 032	1 081	12 287	618	1 675	-1 057	12 795	12 351	444
	3	4 321	10 155	500	14 976	3 435	9 920	1 261	14 616	360	1 489	-1 129	15 586	15 083	503
	4	4 419	11 494	732	16 645	3 467	11 264	1 087	15 818	827	1 610	-783	16 518	15 611	907
1982	1	4 371	10 208	1 358	15 937	3 595	10 312	1 298	15 205	732	1 087	-355	15 539	14 757	782
	2	4 410	11 152	495	16 057	3 737	10 824	1 302	15 863	194	1 563	-1 369	15 945	15 999	-54
	3	4 285	11 083	653	16 021	3 780	10 781	1 348	15 909	112	1 364	-1 252	16 644	16 470	174
	4	4 449	11 447	769	16 665	3 758	10 915	1 328	16 001	664	1 783	-1 119	16 552	15 752	800
1983	1	4 851	11 328	1 202	17 381	3 876	10 686	1 324	15 886	1 495	2 111	-616	16 985	15 422	1 563
	2	4 836	9 868	702	15 406	3 917	9 601	1 485	15 003	403	1 707	-1 304	15 253	15 049	204
	3	4 938	10 253	796	15 987	4 089	9 317	1 305	14 691	1 296	2 331	-1 035	16 680	15 297	1 383
	4	4 989	10 640	822	16 451	4 081	10 017	1 548	15 646	805	2 091	-1 286	16 327	15 458	869
1984	1	5 341	11 216	976	17 533	4 300	10 687	1 501	16 488	1 045	2 152	-1 107	17 062	16 036	1 026
	2	5 368	11 797	756	17 921	4 385	10 935	1 504	16 824	1 097	2 456	-1 359	17 696	16 821	875
	3	5 521	13 237	725	19 483	4 376	12 346	1 456	18 178	1 305	2 685	-1 380	20 271	18 895	1 376
	4	5 769	14 434	1 351	21 554	4 713	13 374	1 644	19 731	1 823	2 707	-884	21 462	19 469	1 993
1985	1	6 153	14 350	891	21 394	4 933	13 638	1 931	20 502	892	2 623	-1 731	20 860	20 041	819
	2	6 227	13 149	787	20 163	4 565	12 648	1 493	18 706	1 457	2 846	-1 389	19 945	18 734	1 211
	3	6 111	12 295	950	19 356	4 382	11 580	1 869	17 831	1 525	3 199	-1 674	20 250	18 576	1 674
	4	6 354	11 895	865	19 114	4 674	11 529	1 765	17 968	1 146	2 706	-1 560	18 972	17 656	1 316

SERVICES

TABLE 5

£ million

Private sector and public corporations

	Sea transport			Civil aviation			Travel			Financial and other services		
	Credits	Debits	Balance	Credits	Debits	Balance	Credits	Debits	Balance	Credits	Debits	Balance
	CGJW	CGGW	HBTO	CGJO	CGGG	HDJA	CGKA	CGHA	HBYE	HHDE	HBVH	HHCW
1976	3 233	3 155	78	1 049	840	209	1 768	1 068	700	3 754	1 844	1 910
1977	3 433	3 345	88	1 203	984	219	2 352	1 186	1 166	4 396	2 131	2 265
1978	3 149	3 162	-13	1 455	1 176	279	2 507	1 549	958	5 075	2 088	2 987
1979	3 804	3 677	127	1 755	1 467	288	2 797	2 109	688	5 712	2 205	3 507
1980	3 816	3 675	141	2 210	1 815	395	2 961	2 738	223	6 388	2 413	3 976
1981	3 784	3 944	-160	2 359	1 922	437	2 970	3 271	-301	7 408	2 655	4 753
1982	3 267	3 890	-623	2 471	2 146	325	3 188	3 640	-452	8 182	3 438	4 744
1983	3 054	4 067	-1 013	2 665	2 354	311	4 003	4 090	-87	9 418	3 909	5 510
1984	3 273	4 386	-1 113	2 931	2 683	248	4 614	4 664	-50	10 707	4 446	6 261
1985	3 525	4 629	-1 104	3 212	2 717	495	5 473	4 856	617	12 169	4 675	7 494
Unadjusted												
1981 1	902	929	-27	476	399	77	466	454	12	1 699	604	1 095
2	954	955	-1	556	475	81	677	788	-111	1 762	648	1 114
3	1 001	1 078	-77	725	594	131	1 150	1 386	-236	1 997	680	1 317
4	927	982	-55	602	454	148	677	643	34	1 950	723	1 227
1982 1	794	950	-156	483	455	28	515	532	-17	2 032	808	1 224
2	864	1 035	-171	563	530	33	793	881	-88	1 958	818	1 140
3	832	984	-152	770	651	119	1 188	1 508	-320	2 097	915	1 182
4	777	921	-144	655	510	145	692	719	-27	2 095	897	1 198
1983 1	728	1 006	-278	525	509	16	653	601	52	2 351	897	1 454
2	725	984	-259	629	591	38	943	967	-24	2 301	965	1 336
3	813	1 060	-247	823	702	121	1 496	1 727	-231	2 433	995	1 438
4	788	1 017	-229	688	552	136	911	795	116	2 334	1 052	1 282
1984 1	743	1 058	-315	561	540	21	727	715	12	2 681	1 077	1 604
2	812	1 078	-266	693	637	56	1 075	1 182	-107	2 571	1 083	1 488
3	890	1 080	-190	901	831	70	1 751	1 835	-84	2 694	1 113	1 581
4	828	1 170	-342	776	675	101	1 061	932	129	2 761	1 173	1 588
1985 1	846	1 242	-396	648	629	19	903	846	57	3 075	1 232	1 843
2	920	1 202	-282	805	678	127	1 331	1 152	179	2 946	1 177	1 769
3	899	1 092	-193	963	773	190	2 054	1 878	176	3 011	1 101	1 910
4	860	1 093	-233	796	637	159	1 185	980	205	3 137	1 165	1 972
Seasonally adjusted	CGKP	CGHR	HHCS	CGKE	CGHF	HHCT	CGKU	CGHW	HHCU	HHDD	CGHN	HHCV
1981 1	932	945	-13	594	460	134	715	727	-12	1 695	617	1 078
2	941	939	2	592	474	118	725	814	-89	1 817	662	1 155
3	968	1 044	-76	582	493	89	752	872	-120	1 916	674	1 242
4	943	1 016	-73	591	495	96	778	858	-80	1 980	702	1 278
1982 1	830	968	-138	599	525	74	786	866	-80	2 026	830	1 196
2	849	1 016	-167	605	527	78	839	899	-60	2 015	832	1 183
3	795	953	-158	623	537	86	774	929	-155	2 010	904	1 106
4	793	953	-160	644	557	87	789	946	-157	2 131	872	1 259
1983 1	761	1 025	-264	653	587	66	962	862	-	2 332	911	1 421
2	715	965	-250	670	590	80	971	1 001	-30	2 364	996	1 368
3	776	1 028	-252	668	578	90	1 018	1 093	-75	2 351	988	1 363
4	802	1 049	-247	674	599	75	1 052	1 034	18	2 372	1 014	1 358
1984 1	777	1 078	-301	697	624	73	1 079	1 109	-30	2 661	1 092	1 569
2	803	1 056	-253	738	637	101	1 115	1 196	-81	2 626	1 102	1 524
3	848	1 043	-195	735	687	48	1 195	1 147	48	2 619	1 100	1 519
4	845	1 209	-364	761	735	26	1 225	1 212	13	2 801	1 152	1 649
1985 1	882	1 260	-378	806	720	86	1 345	1 267	78	2 980	1 248	1 732
2	910	1 172	-262	856	678	178	1 371	1 139	232	3 001	1 188	1 813
3	861	1 065	-204	781	631	150	1 401	1 162	239	2 986	1 082	1 884
4	872	1 132	-260	769	688	81	1 356	1 288	68	3 222	1 157	2 065

SERVICES

TABLE 5 (continued)

£ million

	Private sector and public corporations			General government					Total services		
	All services										
	Credits	Debits	Balance	Credits from EC institutions	Other credits	Total credits	Debits	Balance	Credits	Debits	Balance
	CGJU	CGGU	CGIL	CGPJ	CGPK	CGJR	CGGI	CGIG	CGJZ	CGGZ	CGIN
1976	9 804	6 907	2 897	46	169	215	867	-652	10 019	7 774	2 245
1977	11 384	7 646	3 738	78	163	241	941	-700	11 625	8 587	3 038
1978	12 186	7 975	4 211	94	160	254	987	-733	12 440	8 962	3 478
1979	14 068	9 458	4 610	115	153	268	1 074	-806	14 336	10 532	3 804
1980	15 376	10 641	4 735	112	205	317	1 016	-699	15 693	11 657	4 036
1981	16 521	11 792	4 729	122	285	407	1 266	-859	16 928	13 058	3 870
1982	17 108	13 114	3 994	150	257	407	1 756	-1 349	17 515	14 870	2 645
1983	19 141	14 420	4 721	148	325	473	1 523	-1 050	19 614	15 943	3 671
1984	21 525	16 179	5 346	186	288	474	1 595	-1 121	21 999	17 774	4 225
1985	24 379	16 877	7 502	156	310	466	1 677	-1 211	24 845	18 554	6 291
Unadjusted											
1981 1	3 543	2 386	1 157	37	83	120	233	-113	3 663	2 619	1 044
2	3 949	2 866	1 083	25	37	62	285	-223	4 011	3 151	860
3	4 873	3 738	1 135	21	85	106	352	-246	4 979	4 090	889
4	4 156	2 802	1 354	39	80	119	396	-277	4 275	3 198	1 077
1982 1	3 824	2 745	1 079	42	102	143	406	-263	3 967	3 151	816
2	4 178	3 264	914	36	58	94	463	-369	4 272	3 727	545
3	4 887	4 058	829	38	41	79	457	-378	4 966	4 515	451
4	4 219	3 047	1 172	34	56	91	430	-339	4 310	3 477	833
1983 1	4 257	3 013	1 244	37	123	160	391	-231	4 417	3 404	1 013
2	4 598	3 507	1 091	32	74	106	365	-259	4 704	3 872	832
3	5 565	4 484	1 081	51	69	120	382	-262	5 685	4 866	819
4	4 721	3 416	1 305	28	59	87	385	-298	4 808	3 801	1 007
1984 1	4 712	3 390	1 322	41	98	139	397	-258	4 851	3 787	1 064
2	5 151	3 980	1 171	38	39	77	394	-317	5 228	4 374	854
3	6 236	4 859	1 377	46	75	121	399	-278	6 357	5 258	1 099
4	5 426	3 950	1 476	61	76	137	405	-268	5 563	4 355	1 208
1985 1	5 472	3 948	1 523	38	118	156	438	-282	5 828	4 387	1 241
2	6 002	4 209	1 793	38	40	78	388	-310	6 080	4 597	1 483
3	6 927	4 844	2 083	40	58	98	442	-344	7 025	5 286	1 739
4	5 978	3 875	2 103	40	94	134	409	-275	6 112	4 284	1 828
Seasonally adjusted	CGKN	CGHP	CGIT	CGPN	CGPO	CGKK	CGHH	CGIP	CGKS	CGHU	AIMC
1981 1	3 936	2 749	1 187	37	61	98	233	-135	4 034	2 982	1 052
2	4 075	2 889	1 186	25	54	79	285	-206	4 154	3 174	980
3	4 218	3 083	1 135	21	83	103	352	-249	4 321	3 435	886
4	4 292	3 071	1 221	39	87	127	396	-269	4 419	3 467	952
1982 1	4 241	3 189	1 052	42	89	130	406	-276	4 371	3 595	776
2	4 308	3 274	1 034	36	66	102	463	-361	4 410	3 737	673
3	4 202	3 323	879	38	45	83	457	-374	4 285	3 780	505
4	4 357	3 328	1 029	34	57	92	430	-338	4 449	3 758	691
1983 1	4 708	3 485	1 223	37	106	143	391	-248	4 851	3 876	975
2	4 720	3 552	1 168	32	84	116	365	-249	4 836	3 917	919
3	4 813	3 687	1 126	51	74	125	382	-257	4 938	4 069	869
4	4 900	3 696	1 204	28	61	89	385	-296	4 989	4 081	908
1984 1	5 214	3 903	1 311	41	86	127	397	-270	5 341	4 300	1 041
2	5 282	3 991	1 291	38	48	86	394	-308	5 368	4 385	983
3	5 397	3 977	1 420	46	78	124	399	-275	5 521	4 376	1 145
4	5 632	4 308	1 324	61	76	137	405	-268	5 769	4 713	1 056
1985 1	6 013	4 495	1 518	38	102	140	438	-298	6 153	4 933	1 220
2	6 138	4 177	1 961	38	51	89	388	-299	6 227	4 565	1 662
3	6 009	3 940	2 069	40	62	102	442	-340	6 111	4 382	1 729
4	6 219	4 265	1 954	40	95	135	409	-274	6 354	4 674	1 680

INTEREST,PROFITS AND DIVIDENDS: CREDITS

TABLE 6

£ million

		Credits - earnings on:												
		Direct investment											of which:	
		Non-oil companies	Oil companies and miscellaneous	Total direct investment	Portfolio investment	Export credit	External foreign currency lending by UK banks	External sterling lending by UK banks	Bank deposits and lending overseas	Official reserves	Other assets	Total credits	Private sector and public corporations	General government
		CGNN	HHBW	HHBY	CGNV	CGUJ	HHCA	CGUK	CGNQ	HHCB	HHCE	CGJS	CGNT	CGNR
1976		2 383	479	2 862	313	258	4 423	214	115	137	63	8 385	8 132	253
1977		2 293	548	2 841	328	303	4 731	157	142	233	61	8 796	8 412	384
1978		2 346	877	3 223	400	370	6 179	198	231	536	65	11 202	10 511	691
1979		2 843	2 981	5 824	540	480	9 288	270	393	653	78	17 526	16 710	816
1980		2 934	2 113	5 047	750	526	15 261	474	561	799	94	23 512	22 569	943
1981		3 546	1 870	5 416	990	541	27 538	572	804	857	95	37 113	36 165	948
1982		3 031	1 835	4 866	1 630	667	33 040	1 148	1 685	761	93	43 890	43 074	816
1983		4 077	2 188	6 265	2 590	635	28 936	1 299	1 453	585	113	42 089	41 473	616
1984		4 066	3 033	7 099	3 560	949	34 551	1 719	2 078	587	141	50 684	50 078	606
1985		..	..	7 122	5 040	1 143	32 747	2 608	2 340	538	151	51 689	51 133	556
Unadjusted														
1981	1	835	494	1 329	226	124	4 885	164	173	179	23	7 103	6 896	207
	2	924	309	1 233	213	134	6 175	175	194	281	22	8 427	8 124	303
	3	871	420	1 291	268	132	7 730	229	234	221	23	10 128	9 887	241
	4	916	647	1 563	283	151	8 748	304	203	176	27	11 455	11 258	197
1982	1	737	394	1 131	350	160	7 638	300	441	157	23	10 200	10 023	177
	2	773	405	1 178	356	172	8 503	293	454	267	21	11 244	10 965	279
	3	637	501	1 138	446	157	8 445	267	410	164	24	11 051	10 875	176
	4	884	535	1 419	478	178	8 454	288	380	173	25	11 395	11 211	184
1983	1	893	526	1 419	647	200	8 185	353	374	136	28	11 342	11 195	147
	2	1 074	379	1 453	578	209	6 821	321	340	200	25	9 947	9 741	206
	3	1 154	667	1 821	699	205	6 680	300	356	113	31	10 205	10 086	119
	4	956	616	1 572	666	221	7 250	325	393	139	29	10 595	10 451	144
1984	1	912	791	1 703	717	233	7 566	370	441	138	34	11 202	11 058	144
	2	1 030	625	1 655	768	233	8 060	421	487	172	32	11 828	11 652	176
	3	1 078	823	1 901	957	235	8 946	451	551	130	38	13 209	13 073	136
	4	1 046	794	1 840	1 118	248	9 979	477	599	147	37	14 445	14 295	150
1985	1	..	..	1 929	1 345	289	9 283	622	662	144	39	14 313	14 163	150
	2	..	..	1 980	1 229	284	8 317	653	591	131	34	13 199	13 063	136
	3	..	..	1 852	1 247	296	7 491	689	557	123	40	12 295	12 168	127
	4	..	..	1 381	1 219	274	7 656	644	530	140	38	11 882	11 739	143
Seasonally adjusted		CGET	HHBX	HHBZ	CGGS	CGUL	CGMD	CGMF	CGUM	HHCC	HHCD	CGKL	CGMI	CGMG
1981	1	841	494	1 335	214	124	4 885	161	173	207	22	7 121	6 888	233
	2	883	309	1 192	221	134	6 175	177	194	228	22	8 343	8 092	251
	3	888	420	1 308	254	132	7 730	242	234	230	25	10 155	9 903	252
	4	934	647	1 581	301	151	8 748	292	203	192	26	11 494	11 282	212
1982	1	747	394	1 141	323	160	7 638	298	441	185	22	10 208	10 004	204
	2	739	405	1 144	372	172	8 503	295	454	191	21	11 152	10 948	204
	3	651	501	1 152	427	157	8 445	279	410	188	25	11 083	10 883	200
	4	894	535	1 429	508	178	8 454	276	380	197	25	11 447	11 239	208
1983	1	910	526	1 436	590	200	8 185	350	374	167	26	11 328	11 151	177
	2	1 021	379	1 400	614	209	6 821	324	340	134	26	9 868	9 728	140
	3	1 177	667	1 844	679	205	6 680	313	356	144	31	10 253	10 103	150
	4	969	616	1 585	707	221	7 250	312	393	143	30	10 640	10 491	149
1984	1	935	791	1 726	723	233	7 566	355	441	138	34	11 216	11 072	144
	2	983	625	1 608	763	233	8 060	424	487	172	30	11 797	11 622	175
	3	1 111	823	1 934	936	235	8 946	467	551	130	39	13 237	13 100	137
	4	1 037	794	1 831	1 119	248	9 979	473	599	147	38	14 434	14 284	150
1985	1	..	..	1 959	1 352	289	9 283	622	662	144	39	14 350	14 201	149
	2	..	..	1 896	1 244	284	8 317	653	591	131	33	13 149	13 014	135
	3	..	..	1 875	1 223	296	7 491	689	557	123	41	12 295	12 166	129
	4	..	..	1 392	1 221	274	7 656	644	530	140	38	11 895	11 752	143

INTEREST,PROFITS AND DIVIDENDS: DEBITS AND BALANCE

TABLE 6 (continued)

£ million

		Debits: earnings on:										of which:		Balance of IPD		
		Direct investment														
		Non-oil companies	Oil companies' and misc.	Total direct investment	Portfolio investment	External foreign currency borrowing by UK banks	External sterling liabilities	Borrowing from banks etc overseas[1]	Official financing liabilities	Other liabilities	Total debits	Private sector and public corporations	General government	Private sector and public corporations	General government	Total
		CGNX	HHCF	HHCH	CGOF	HHCK	CGNW	HHCL	HHDH	HHCQ	CGGK	CGOB	CGNY	CGQD	CGIJ	CGOA
1976		1 040	-73	967	308	4 222	567	146	498	120	6 828	5 927	901	2 205	-648	1 557
1977		1 432	569	2 001	433	4 643	466	198	667	142	8 550	7 453	1 097	959	-713	246
1978		1 526	707	2 233	549	5 873	494	337	752	137	10 375	9 121	1 254	1 390	-563	827
1979		2 077	1 919	3 996	624	9 397	907	536	747	131	16 338	15 020	1 318	1 690	-502	1 188
1980		1 873	2 900	4 773	733	15 058	1 518	817	676	156	23 731	22 244	1 487	325	-544	-219
1981		1 961	2 741	4 702	789	26 912	1 891	1 043	634	194	36 165	34 635	1 530	1 530	-582	948
1982		2 146	2 586	4 732	881	32 801	2 271	1 340	522	285	42 832	41 271	1 561	1 803	-745	1 058
1983		2 418	2 958	5 376	928	28 785	2 423	1 289	532	288	39 621	37 954	1 667	3 519	-1 051	2 468
1984		3 261	3 177	6 438	1 052	34 548	2 726	1 636	638	304	47 342	45 444	1 898	4 634	-1 292	3 342
1985		3 207	4 068	7 275	1 264	34 248	4 114	1 561	687	246	49 395	47 261	2 134	3 872	-1 578	2 294
Unadjusted																
1981	1	385	646	1 031	183	4 854	421	233	109	13	6 844	6 527	317	369	-110	259
	2	422	482	904	240	5 973	447	266	237	107	8 174	7 656	518	466	-215	253
	3	546	590	1 136	199	7 565	458	281	128	17	9 784	9 449	335	438	-94	344
	4	608	1 023	1 631	167	8 520	565	263	160	57	11 363	11 003	360	255	-163	92
1982	1	591	603	1 194	213	7 830	493	354	75	21	10 180	9 882	298	141	-121	20
	2	566	578	1 144	265	8 279	596	365	176	179	11 004	10 482	522	483	-243	240
	3	475	600	1 075	217	8 335	596	321	92	22	10 658	10 313	345	562	-169	393
	4	514	805	1 319	186	8 357	586	300	179	63	10 990	10 594	396	617	-212	405
1983	1	575	530	1 105	221	6 201	585	305	110	23	10 550	10 178	372	1 017	-225	792
	2	689	823	1 512	263	6 731	614	309	156	149	9 734	9 235	499	506	-293	213
	3	611	589	1 200	254	6 708	581	318	106	20	9 187	8 818	369	1 268	-250	1 018
	4	543	1 016	1 559	190	7 145	643	357	160	96	10 150	9 723	427	728	-283	445
1984	1	802	968	1 770	238	7 445	610	389	125	51	10 608	10 157	451	901	-307	594
	2	820	699	1 519	297	7 898	604	408	173	80	10 979	10 513	466	1 139	-290	849
	3	728	631	1 359	288	9 278	690	433	138	58	12 244	11 759	485	1 314	-349	965
	4	911	879	1 790	229	9 927	822	426	202	115	13 511	13 015	496	1 280	-346	934
1985	1	839	1 263	2 102	282	9 664	869	422	173	61	13 573	13 015	558	1 148	-408	740
	2	871	1 016	1 887	318	8 848	991	397	189	51	12 681	12 188	493	875	-357	518
	3	647	843	1 490	364	7 930	1 141	370	148	46	11 489	10 953	536	1 215	-409	806
	4	850	946	1 796	300	7 806	1 113	372	177	88	11 652	11 105	547	634	-404	230
Seasonally adjusted		CGEU	HHCG	HHCI	CGMD	HHCK	CGMN	HHCM	HHDJ	HHCR	CGHJ	CGMV	CGMR	CGMW	CGMS	AIMD
1981	1	394	646	1 040	188	4 854	447	238	136	46	6 949	6 590	359	298	-126	172
	2	419	482	901	195	5 973	448	261	207	47	8 032	7 603	429	489	-178	311
	3	595	590	1 185	200	7 565	481	266	153	50	9 920	9 549	371	354	-119	235
	4	553	1 023	1 576	206	8 520	515	258	138	51	11 264	10 893	371	389	-159	230
1982	1	607	603	1 210	224	7 830	518	359	100	71	10 312	9 969	343	35	-139	-104
	2	563	578	1 141	211	8 279	608	359	154	72	10 824	10 419	405	529	-201	328
	3	500	600	1 100	215	8 335	616	328	115	72	10 781	10 398	383	485	-183	302
	4	476	805	1 281	231	8 357	529	294	153	70	10 915	10 485	430	754	-222	532
1983	1	587	530	1 117	226	8 201	616	311	140	75	10 686	10 263	423	888	-246	642
	2	693	823	1 516	227	6 731	624	303	129	71	9 601	9 189	412	539	-272	267
	3	640	589	1 229	243	6 708	607	325	133	72	9 317	8 898	419	1 205	-269	936
	4	498	1 016	1 514	232	7 145	576	350	130	70	10 017	9 604	413	887	-264	623
1984	1	809	968	1 777	240	7 445	627	375	157	66	10 687	10 231	456	841	-312	529
	2	809	699	1 508	263	7 898	629	402	141	94	10 935	10 457	478	1 165	-303	862
	3	765	631	1 396	274	9 278	712	439	175	72	12 346	11 855	491	1 245	-354	891
	4	878	879	1 757	275	9 927	758	420	165	72	13 374	12 901	473	1 383	-323	1 060
1985	1	843	1 263	2 106	273	9 664	889	426	208	72	13 638	13 096	542	1 105	-393	712
	2	859	1 016	1 875	310	8 848	1 006	393	154	62	12 648	12 129	519	885	-384	501
	3	678	843	1 521	321	7 930	1 198	373	180	57	11 580	11 036	544	1 130	-415	715
	4	827	946	1 773	360	7 806	1 021	369	145	55	11 529	11 000	529	752	-386	366

1. Excluding loans to HMG and under the public sector exchange cover scheme, which form part of official financing.

TRANSFERS

TABLE 7

£ million

	Credits							Debits					Balance			
		General Government							General Government							
		European Community Institutions														
	Private	Agricultural Fund	Social Fund	Regional Development Fund	Budget refunds 1	Other	Total	Private	Bilateral aid	EC Institutions	Other	Total	Private	General Government	Total	of which: with EC Institutions 2
	CGJV	HCOW	HDIZ	HBZA	CGPI	HHAA	HDKD	CGGV	CGEG	CGEI	HHAB	CGGJ	CGIM	CGIH	CGIO	CGII
1976	537	207	11	28	-	6	253	547	279	474	276	1 029	-10	-776	-786	-221
1977	614	181	48	60	-	9	298	659	279	750	352	1 381	-45	-1 083	-1 128	-452
1978	774	329	63	35	-	12	439	901	387	1 364	352	2 103	-127	-1 664	-1 781	-925
1979	801	371	87	71	-	21	550	1 062	498	1 626	444	2 568	-261	-2 018	-2 279	-1 076
1980	842	550	95	173	98	42	958	1 138	528	1 783	429	2 740	-296	-1 782	-2 078	-825
1981	966	683	107	145	693	30	1 658	1 284	584	2 188	520	3 292	-318	-1 634	-1 952	-530
1982	1 118	791	152	111	1 019	84	2 157	1 318	496	2 878	584	3 958	-200	-1 801	-2 001	-721
1983	1 301	1 082	128	139	807	65	2 221	1 485	530	2 994	653	4 177	-184	-1 956	-2 140	-773
1984	1 438	1 353	283	184	528	22	2 370	1 603	560	3 216	726	4 502	-165	-2 132	-2 297	-846
1985	1 577	1 151	253	266	227	19	1 916	1 741	573	3 955	789	5 317	-164	-3 401	-3 565	-2 039
Unadjusted																
1981 1	226	168	40	18	547	1	774	320	285	544	142	971	-94	-197	-291	230
2	236	74	11	24	-	12	121	316	68	507	135	710	-80	-589	-669	-386
3	247	171	5	24	28	4	232	321	104	660	124	888	-74	-856	-730	-428
4	257	270	51	79	118	13	531	327	127	477	119	723	-70	-192	-262	54
1982 1	268	218	27	14	813	32	1 104	331	231	700	184	1 095	-63	9	-54	404
2	270	102	9	26	9	13	159	325	59	723	161	943	-55	-784	-839	-584
3	285	186	48	26	72	10	342	330	83	750	134	967	-45	-625	-670	-408
4	295	285	68	45	125	29	552	332	123	705	125	953	-37	-401	-438	-153
1983 1	309	257	49	28	568	15	917	357	254	661	198	1 111	-48	-194	-242	256
2	321	226	22	17	-	16	281	367	80	791	205	1 076	-46	-795	-841	-510
3	332	304	36	62	21	15	438	377	96	628	143	867	-45	-429	-474	-190
4	339	295	21	32	218	19	585	384	100	914	109	1 123	-45	-538	-583	-329
1984 1	347	407	180	67	-	8	662	390	248	782	221	1 251	-43	-589	-632	-120
2	356	244	10	17	-	13	284	388	68	787	225	1 080	-32	-796	-828	-503
3	363	306	5	31	-	-	342	396	103	751	143	997	-33	-655	-688	-409
4	372	396	88	69	528	1	1 082	429	141	896	137	1 174	-57	-92	-149	186
1985 1	380	277	101	85	61	15	539	424	279	1 137	241	1 657	-44	-1 116	-1 162	-598
2	392	231	4	39	-	-	274	426	64	721	243	1 028	-36	-754	-790	-447
3	400	305	146	78	-	1	530	441	107	1 090	163	1 360	-41	-830	-871	-560
4	405	338	2	64	166	3	573	448	123	1 007	142	1 272	-43	-699	-742	-434
Seasonally adjusted	CGKO	HHAC	HHAD	HBZA	CGPM	HHAE	HHAH	CGHQ	CGEM	CGEO	HHAG	CGHI	CGIU	CGIQ	AIME	CGIR
1981 1	226	162	30	18	547	1	758	320	189	544	114	827	-94	-69	-163	214
2	236	110	26	24	-	12	172	316	137	507	121	765	-80	-593	-673	-335
3	247	184	13	24	28	4	253	321	141	660	139	940	-74	-687	-761	-407
4	257	227	38	79	118	13	475	327	137	477	148	760	-70	-285	-355	-2
1982 1	268	215	16	14	813	32	1 090	331	130	700	137	967	-63	123	60	390
2	270	149	28	26	9	13	225	325	118	723	136	977	-55	-752	-807	-498
3	285	199	61	26	72	10	368	330	115	750	153	1 018	-45	-650	-695	-382
4	295	228	47	45	125	29	474	332	133	705	158	996	-37	-522	-559	-231
1983 1	309	244	38	28	568	15	893	357	139	661	167	967	-48	-74	-122	232
2	321	306	42	17	-	16	381	367	150	791	177	1 118	-46	-737	-783	-410
3	332	318	48	62	21	15	464	377	135	628	165	928	-45	-464	-509	-164
4	339	214	-	32	218	19	453	384	106	914	144	1 164	-45	-681	-726	-431
1984 1	347	385	169	67	-	8	629	390	140	782	189	1 111	-43	-482	-525	-153
2	356	339	31	17	-	13	400	388	131	787	198	1 116	-32	-716	-748	-387
3	363	311	20	31	-	-	362	396	142	751	167	1 060	-33	-698	-731	-389
4	372	318	63	69	528	1	979	429	147	896	172	1 215	-57	-236	-293	83
1985 1	380	260	90	85	61	15	511	424	162	1 137	208	1 507	-44	-996	-1 040	-626
2	392	331	25	39	-	-	395	428	129	721	215	1 065	-36	-670	-706	-326
3	400	309	162	78	-	1	550	441	150	1 090	188	1 428	-41	-878	-919	-540
4	405	251	-24	64	166	3	480	448	132	1 007	178	1 317	-43	-857	-900	-547

1. Also includes VAT abatements received in the fourth quarter of 1985.
2. This series does not have the same coverage as that shown in Table 3.3 of 'The Government Expenditure Plans 1986-1987 to 1988-1989' (Cmnd 9702-II). For an explanation of the differences, see section 12 of the 1985 edition of the CSO Pink Book.

INVESTMENT AND OTHER CAPITAL TRANSACTIONS[1]

TABLE 8

Not seasonally adjusted

£ million

		Overseas investment in		UK private investment overseas	Official long-term capital	Trade credit2	Foreign currency borrowing or lending abroad by UK banks3	Exchange reserves in sterling		Other external banking and money market liabilities in sterling3	External sterling lending by UK banks3,4	UK non-bank private sector transactions with banks overseas5	Other borrowing or lending overseas6	Other transactions	Total investment and other capital transactions
		UK public sector	UK private sector					British government stocks	Banking and money market liabilities, etc.3						
		AINA	AINB	AINC	AIND	AINE	AINF	AING	AINH	AINI	AINJ	HHAI	HHAJ	AINL	AINM
1974		180	2 024	-1 148	-287	-722	-295	-124	1 534	148	53	279	72	-112	1 602
1975		-13	1 527	-1 367	-291	-518	253	7	-622	549	98	260	56	217	154
1976		179	1 912	-2 269	-181	-992	-108	12	-1 413	256	-350	115	6	-164	-2 977
1977		1 432	2 867	-2 334	-303	-355	367	6	-16	1 481	58	54	759	53	4 189
1978		196	1 973	-4 604	-336	-622	-434	-113	-	293	-504	209	-104	81	-4 257
1979		901	3 381	-6 802	-401	-789	1 622	247	509	2 580	205	646	-197	-66	1 836
1980		567	4 619	-8 150	-91	-1 123	2 054	945	317	2 558	-2 500	-742	224	-245	-1 547
1981		196	3 252	-10 389	-336	-836	1 462	207	-118	2 607	-2 954	19	-357	67	-7 181
1982		393	3 094	-10 910	-337	-1 416	4 274	-212	438	4 134	-3 299	-481	466	203	-3 654
1983		700	4 383	-11 596	-380	-1 540	1 413	227	785	3 167	-1 339	-1 444	890	-519	-5 254
1984		323	3 271	-15 377	-327	-501	9 075	188	1 089	5 160	-4 718	-2 061	-1 259	-576	-5 713
1985		1 351	6 129	-22 247	-310	-139	5 055	1 646	95	4 107	-1 666	-986	3 674	431	-2 860
1977	1	353	927	-566	-23	-136	419	-163	345	199	166	-10	151	-42	1 620
	2	443	831	-772	-19	-60	-706	-4	-394	350	-110	-98	479	74	14
	3	252	727	-499	-30	91	189	31	43	323	-23	174	42	-64	1 256
	4	384	482	-497	-231	-250	465	142	-10	609	25	-12	87	85	1 279
1978	1	-54	856	-884	-23	-169	128	-33	176	-62	-292	117	43	45	-152
	2	-40	322	-804	-8	-280	-931	-20	-211	-152	-65	45	-7	-52	-2 202
	3	-21	350	-1 185	-66	-126	342	-34	43	159	-82	11	-26	180	-455
	4	19	445	-1 731	-239	-47	27	-26	-8	348	-65	36	-114	-92	-1 448
1979	1	245	330	-1 596	-78	-321	1 002	-130	268	470	103	173	-98	91	459
	2	78	1 213	-1 462	-35	-221	384	5	92	358	204	24	-52	172	760
	3	428	924	-2 145	-66	89	671	206	194	450	-101	-257	6	-343	56
	4	150	914	-1 599	-222	-336	-435	166	-45	1 302	-1	706	-53	14	561
1980	1	-18	1 382	-2 116	10	-322	767	45	455	256	-324	-468	22	-198	-507
	2	666	901	-1 974	-13	-157	230	448	-94	983	-563	-18	47	-87	358
	3	55	1 021	-1 748	-2	-391	593	437	-80	824	-668	-70	221	-25	167
	4	-105	1 315	-2 312	-86	-253	464	15	36	495	-945	-186	-66	63	-1 565
1981	1	82	412	-2 952	-128	-19	-435	-75	187	301	-1 230	228	-68	-141	-3 839
	2	-149	1 281	-2 387	-111	-156	-750	152	21	902	-435	-563	-135	391	-1 939
	3	-11	772	-2 122	-5	-73	58	44	49	1 015	-799	-128	-82	96	-1 186
	4	273	787	-2 928	-92	-588	2 589	86	-375	389	-490	482	-72	-279	-217
1982	1	-58	1 330	-2 928	-212	-132	1 598	-135	512	1 119	-1 104	354	-31	-348	-36
	2	-105	839	-2 382	-14	-341	541	79	-294	1 487	200	-69	100	119	160
	3	73	493	-2 610	-3	-473	1 238	-344	478	1 035	-1 348	-375	281	121	-1 435
	4	483	432	-2 990	-108	-470	897	188	-258	493	-1 047	-391	116	311	-2 343
1983	1	40	859	-3 677	-210	-412	578	74	451	1 063	-943	207	90	-702	-2 582
	2	380	1 830	-2 255	-27	-429	314	289	-223	580	293	-275	445	155	1 057
	3	290	1 329	-2 712	-38	-385	1 454	-72	449	386	-13	-184	-9	36	550
	4	-10	365	-2 952	-105	-334	-933	-44	108	1 138	-676	-1 192	364	-8	-4 279
1984	1	235	1 321	-5 014	-171	-282	2 642	103	311	1 332	-1 413	8	210	-65	-784
	2	-491	-1 428	-2 372	-11	-137	2 657	107	63	1 853	-1 104	-163	-817	-163	-2 006
	3	238	1 651	-3 853	-8	-22	1 573	-36	256	1 508	-1 115	-1 233	-561	131	-1 370
	4	341	1 727	-4 138	-137	-60	2 103	14	459	467	-1 086	-673	-91	-479	-1 553
1985	1	479	2 340	-8 258	-88	122	1 402	367	-389	4 792	-2 912	-442	-91	330	-2 348
	2	625	1 435	-4 622	-48	-197	914	648	-354	-127	408	457	1 104	205	447
	3	415	1 277	-5 407	-45	-15	-2 520	-86	589	209	477	-1 001	1 947	-6	-4 165
	4	-168	1 077	-3 960	-129	-49	5 259	717	249	-767	381		714	-98	3 206

1. UK Assets: increase-/decrease+. UK Liabilities: increase+/decrease-. Excluding official financing.
2. Excluding trade credit between 'related' firms, after deducting advance and progress payments to suppliers. Coverage was reduced at end-1982, see Table 12 footnote 3.
3. Prior to 1982 includes transactions by 'other financial institutions', which are subsequently included within 'other external borrowing or lending'.
4. Excluding credit for UK exports.
5. Not available for the most recent quarter.
6. From 1982 onwards includes transactions by 'other financial institutions' (see footnote 3).

OVERSEAS INVESTMENT IN UNITED KINGDOM[1]

TABLE 9

Not seasonally adjusted

£ million

		Direct investment					Portfolio investment							
		Non-oil companies								Net issues abroad[3]				
		Unremitted profits	Other	Oil companies	Miscellaneous	Total direct investment	UK company securities	British government stocks[2]	British government foreign currency bonds	Local authorities securities	Public corporations	Local authorities	Total portfolio investment	Total overseas investment in UK
		CGLU	CGLM	CGLP	CGLO	HHBU	CGLT	CGLV	CGLW	CGLY	CGLZ	CGLX	CGMB	CGMA
1980		689	1 852	1 714	100	4 355	264	571	-	19	-3	-	851	5 206
1981		638	342	1 882	70	2 932	320	201	-	-	-6	-	515	3 447
1982		788	306	1 770	120	2 964	130	568	-115	-5	-55	-	523	3 487
1983		1 085	1 030	1 238	86	3 438	945	714	-	-7	-7	-	1 645	5 083
1984		1 608	813	-60	66	2 426	845	781	-342	-4	-112	-	1 168	3 594
1985		1 683	576	907	43	3 209	2 920	1 409	-	-3	-55	-	4 271	7 480
1983	1	374	113	127	35	649	210	46	-	-	-6	-	250	899
	2	400	441	514	10	1 365	455	383	-	-2	-1	-	845	2 210
	3	377	293	504	30	1 204	125	282	-	-2	-	-	415	1 619
	4	-66	183	93	10	220	145	-7	-	-3	-	-	135	355
1984	1	566	222	433	10	1 231	90	243	-	-2	-6	-	325	1 556
	2	563	-196	-1 955	25	-1 563	135	-44	-342	1	-106	-	-356	-1 919
	3	423	501	542	10	1 476	175	240	-	-2	-	-	413	1 889
	4	56	286	920	20	1 282	445	342	-	-1	-	-	786	2 068
1985	1	616	393	891	-60	1 840	500	488	-	-2	-7	-	979	2 819
	2	555	-1	-214	45	385	1 050	636	-	1	-12	-	1 675	2 060
	3	396	6	317	28	747	530	452	-	-1	-36	-	945	1 692
	4	116	178	-87	30	237	840	-167	-	-1	-	-	672	909

1. UK Liabilities:increase+/decrease-.
2. Excluding investments by central monetary institutions and international organisations.
3. Excluding official financing.

UK PRIVATE INVESTMENT OVERSEAS[1]

TABLE 10

Not seasonally adjusted

£ million

		Direct investment						Portfolio investment by:				
				Non-oil companies		Oil companies and miscelleneous	Total direct investment		Other financial institutions[2]		Total portfolio investment	Total UK private investment overseas
		Unremitted profits	Other	Unremitted profits	Other			UK banks		Other		
		HHDR	HHDS	CGOT	CGOR	CGOQ	HHBV	HHAL	HHAM	HHAN	CGOS	AINC
1980		..	..	-1 634	-1 757	-1 529	-4 920	-592	-2 640	2	-3 230	-8 150
1981		..	..	-2 031	-2 640	-1 418	-6 089	-998	-3 130	-174	-4 300	-10 389
1982		..	..	-1 662	-735	-1 983	-4 380	-1 762	-4 404	-364	-6 530	-10 910
1983		..	..	-2 181	-1 323	-1 932	-5 436	-2 404	-3 523	-233	-6 160	-11 596
1984		..	..	-2 326	-314	-3 867	-6 507	-7 187	-1 620	-63	-8 870	-15 377
1985		-3 163	-3 484	..	..	..	-6 647	-8 618	-6 982		-15 600	-22 247
1983	1	..	..	-429	-882	-656	-1 967	-689	-1 175	154	-1 710	-3 677
	2	..	..	-588	401	-288	-475	-499	-960	-321	-1 780	-2 255
	3	..	..	-794	-261	-537	-1 592	-573	-510	-37	-1 120	-2 712
	4	..	..	-370	-481	-551	-1 402	-643	-878	-29	-1 550	-2 952
1984	1	..	..	-592	-71	-791	-1 454	-2 133	-1 218	-209	-3 560	-5 014
	2	..	..	-543	369	-1 978	-2 152	-650	275	155	-220	-2 372
	3	..	..	-737	-151	-625	-1 523	-1 741	-719	130	-2 330	-3 853
	4	..	..	-454	-451	-473	-1 378	-2 663	42	-139	-2 760	-4 138
1985	1	-1 014	-1 984	..	..	..	-2 978	-1 870	-2 839	-571	-5 280	-8 258
	2	-1 038	356	..	..	..	-682	-2 020	-1 621	-299	-3 940	-4 622
	3	-950	-897	..	..	..	-1 847	-1 945	-1 304	-311	-3 560	-5 407
	4	-161	-979	..	..	..	-1 140	-2 780	-40		-2 820	-3 960

1. UK Assets: increase-/decrease+.
2. Includes security dealers from 1984.

OFFICIAL LONG-TERM CAPITAL[1]

TABLE 11

Not seasonally adjusted

£ million

	Inter government loans				Other official long-term capital		
	Made by UK	Repaid to UK	Repaid by UK	Total	UK subscriptions, to IDA, etc.	Other	Total official long-term capital
	CGPD	CGPF	CGPE	CGPC	CGPH	CGPG	AIND
1980	-61	112	-57	-6	-53	-32	-91
1981	-76	86	-73	-64	-222	-50	-336
1982	-49	79	-87	-57	-244	-36	-337
1983	-66	78	-97	-85	-256	-39	-380
1984	-29	94	-103	-38	-206	-84	-327
1985	-35	62	-87	-60	-184	-66	-310
1983 1	-29	19	-	-10	-185	-15	-210
2	-8	22	-7	7	-27	-7	-27
3	-25	19	-	-7	-23	-8	-38
4	-4	18	-90	-75	-21	-9	-105
1984 1	-10	23	-	13	-149	-35	-171
2	-8	27	-	19	-26	-4	-11
3	-6	20	-	15	-	-21	-8
4	-5	24	-103	-83	-31	-24	-137
1985 1	-13	6	-	-7	-55	-26	-88
2	-6	10	-1	3	-44	-7	-48
3	-8	15	-	7	-43	-9	-45
4	-8	31	-86	-63	-42	-24	-129

1. UK Assets: increase-/decrease+. UK Liabilities: increase+/decrease-.

IMPORT AND EXPORT CREDIT[1]

(excluding credit between 'related' firms)

TABLE 12

Not seasonally adjusted

£ million

	Import credit					Export credit				
	Credit received by UK businesses					Extended by UK banks		Other credit extended less advance and progress payments		
	Identified long-term2	Other3	Total	Advance and progress payments3	Total	Identified long-term credit	ECGD comprehensive guarantees	UK private sector 3,4	UK public sector	Total
	CGJF	CGJG	CGJH	CGJL	CGJM	CGJC	CGTW	CGTX	CGTY	CGJK
1980	15	-211	-196	-41	-237	-792	-95	212	-211	-886
1981	-19	76	57	76	133	-721	115	-180	-183	-969
1982	13	-107	-94	-111	-205	-1 381	215	340	-385	-1 211
1983	-54	..	-54	66	12	-1 143	41	..	-450	-1 552
1984	7	..	7	165	172	-124	59	..	-608	-673
1985	-147	..	-147	197	50	206	61	..	-456	-189
1983 1	5	..	5	5	10	-350	25	..	-97	-422
2	-25	..	-25	72	47	-354	10	..	-132	-476
3	-76	..	-76	-9	-85	-253	22	..	-49	-280
4	42	..	42	-2	40	-186	-16	..	-172	-374
1984 1	27	..	27	-12	15	-220	12	..	-89	-297
2	-16	..	-16	69	53	22	13	..	-224	-180
3	15	..	15	24	39	34	22	..	-117	-61
4	-19	..	-19	84	65	40	12	..	-178	-125
1985 1	-68	..	-68	225	157	-82	38	..	-11	-35
2	-61	..	-61	-32	-93	23	10	..	-137	-104
3	-22	..	-22	6	-16	148	17	..	-164	1
4	4	..	4	-2	2	97	-4	..	-144	-51

1. UK Assets: increase-/decrease+. UK Liabilities: increase+/decrease-.
2. Credit on ships, commercial aircraft and North Sea installations.
3. Collection of information on trade credit received and extended by non-bank private sector companies ceased at end-1982.
4. Includes net credit extended by UK merchants on third country trade.

OTHER TRANSACTIONS[1]

TABLE 13

£ million

	Other external borrowing or lending (net of repayments)						Other transactions			
	Borrowing from banks etc. overseas by									
	Public corporations 2	Local authorities 2	Total public sector 2	UK private sector3	Bank deposits and lending overseas3	Total	Official assets and liabilities (net)	Other commercial short-term transactions (net)	IMF expenditure and receipts in sterling	Total
	CGQW	CGQX	CGLI	CGLE	CGLG	AINK	CGOW	CGOV	CGPY	AINL
1980	-177	11	-166	431	-783	-518	-156	-89	-	-245
1981	-29	3	-26	556	-868	-338	212	-145	-	67
1982	-102	-3	-105	692	-603	-16	448	-245	-	203
1983	-84	-3	-87	334	-801	-555	-524	5	-	-519
1984	-92	-5	-97	-1 874	-1 350	-3 320	-103	-473	-	-576
1985	-53	-4	-57	2 106	639	2 688	28	403	-	431
1983 1	-33	-	-33	215	116	297	-615	-87	-	-702
2	-17	-1	-18	-221	409	170	186	-31	-	155
3	-3	-	-3	-101	-89	-194	14	22	-	36
4	-31	-2	-33	441	-1 237	-828	-109	101	-	-8
1984 1	-4	-	-4	-403	624	217	-4	-61	-	-65
2	-32	-2	-34	-737	-209	-980	197	-360	-	-163
3	-4	-	-4	-121	-1 669	-1 793	172	-41	-	131
4	-52	-3	-55	-613	-96	-764	-468	-11	-	-479
1985 1	-4	-	-4	372	-900	-533	65	265	-	330
2	-28	-2	-30	1 573	18	1 560	156	49	-	205
3	-4	-	-4	193	757	947	-60	54	-	-6
4	-17	-2	-19	-32	764	714	-133	35	-	-98

1. UK Assets: increase-/decrease+. UK Liabilities: increase+/decrease-.
2. Excluding net foreign currency borrowing under the exchange cover scheme which is included under 'offical financing'.
3. From 1982 onwards includes transactions by 'other financial institutions' (see footnote 3 to Table 8). The estimate for the most recent quarter excludes UK non-bank private sector transactions with banks overseas (see footnote 5 to Table 8).

OFFICIAL FINANCING[1]

TABLE 14

£ million

	Net transactions with International Monetary Fund2				Foreign currency borrowing:						
					under the public sector exchange cover scheme						
					Local authorities and public corporations 4						
	UK drawings	UK re-purchases	Other net drawings	Total	by HM Government3	Borrowing	Repayments	Companies 5	Total	Drawings on (+): additions to(-) official reserves	Total official financing
	CGPT	CGPU	CGPX	AION	AIOO	HHBQ	HHBR	HHBT	AIOP	AIPA	AIOQ
1980	-	-140	-	-140	-628	538	-884	44	-312	-291	-1 372
1981	-	-145	-	-145	-1 234	430	-800	17	-353	2 419	687
1982	-	-183	-	-183	-	303	-327	50	26	1 421	1 284
1983	-	-36	-	-36	-	598	-367	20	249	607	820
1984	-	-	-	-	273	887	-853	101	135	908	1 316
1985	-	-	-	-	277	1 144	-658	68	554	-1 758	-927
1983 1	-	-36	-	-36	-	127	-127	-	-	652	616
2	-	-	-	-	-	61	-48	-	13	-142	-129
3	-	-	-	-	-	159	-121	-	38	-33	5
4	-	-	-	-	-	249	-71	20	198	130	328
1984 1	-	-	-	-	-	187	-94	20	113	77	190
2	-	-	-	-	79	111	-377	-2	-268	857	668
3	-	-	-	-	194	118	-274	26	-130	279	343
4	-	-	-	-	-	471	-108	57	420	-305	115
1985 1	-	-	-	-	145	187	-196	48	39	90	274
2	-	-	-	-	-177	476	-115	-15	346	-607	-438
3	-	-	-	-	-3	235	-147	-4	84	-49	32
4	-	-	-	-	312	246	-200	39	85	-1 192	-795

1. Valued in sterling at market related rates of exchange.
2. Excludes transactions which affect the UK reserve position in the IMF (included within official reserves).
3. Drawings on (+) and repayments of (-) two euro-dollar facilities of $2,500 million and $1,500 million together with a $350 million bond issue in New York and overseas residents' investment in the $2500 million issue of floating rate notes. Also includes assignments to HMG of other public sector debt involving equal and offsetting reductions in other public sector foreign currency liabilities taken out under the exchange cover scheme.
4. Including loans to and repayments by the Northern Ireland Central Government.
5. Comprises net borrowing by British Nuclear Fuels plc, and repayments by British Telecom plc and Sealink UK Ltd after privatisation.

EXTERNAL LIABILITIES AND CLAIMS OF UK MONETARY SECTOR[1] IN FOREIGN CURRENCIES

TABLE 15

£ billion

End of period

		Country analysis										Analysis by type of customer		
	Total	EC countries	Other Western Europe	North America	Other developed countries	Eastern Europe	Oil exporting countries	Offshore banking centres	Other developing countries	Unallocated	Central monetary institutions	Other banks	Other
	AITA	CGFR	CGFV	CGFS	CGFO	CGFQ	CGFU	CGFT	CGFP	CGFW	AITB	AITC	AITD
UK liabilities													
1980	145.3	29.7	24.6	20.8	7.3	1.7	25.0	20.4	11.0	4.9	24.9	87.8	32.7
1981	220.1	40.7	34.6	41.2	11.6	1.6	34.8	30.4	13.8	11.3	28.5	134.5	57.0
1982	281.9	47.0	41.0	72.6	11.0	2.6	34.5	39.0	15.7	18.0	28.1	178.0	75.7
1983 1	317.4	51.9	47.8	84.4	13.5	3.2	36.4	45.7	17.3	17.7	30.0	202.2	85.3
2	303.5	48.8	45.6	82.3	10.7	3.0	34.1	46.8	17.6	14.2	27.8	191.2	84.4
3	319.6	51.9	48.9	85.6	13.9	2.7	35.4	48.4	18.4	14.4	29.8	203.1	86.7
4	331.2	56.9	50.9	87.9	14.8	3.1	34.7	47.6	19.9	15.4	30.1	209.2	92.0
1984 1	346.1	58.0	53.5	90.9	16.6	3.6	36.0	51.1	21.8	14.6	30.2	220.5	95.4
2	373.1	61.1	58.1	101.7	16.6	3.6	38.7	52.9	24.8	15.7	32.9	238.5	101.6
3	400.0	67.7	65.7	102.7	18.3	3.4	42.1	57.8	25.2	17.1	39.1	256.3	104.6
4	429.1	76.5	72.3	110.2	16.4	4.6	35.6	69.6	27.9	16.1	43.8	271.8	113.5
1985 1	411.1	76.1	68.2	105.3	17.0	3.8	33.5	67.8	25.8	13.6	40.0	263.9	107.2
2	388.1	71.1	64.0	101.2	16.1	4.1	33.3	63.7	24.3	10.5	39.7	247.4	101.1
3	380.2	72.1	64.3	98.9	17.0	4.3	30.6	60.8	21.8	10.4	38.8	244.5	96.9
4	387.8	78.9	64.9	94.9	20.0	4.8	30.3	60.5	21.9	11.6	38.2	256.6	93.1
UK claims	AITE	CGFI	CGFM	CGFJ	CGFF	CGFH	CGFL	CGFK	CGFG	CGFN	AITF	AITG	AITH
1980	139.5	38.6	17.3	12.5	16.2	5.9	8.5	23.5	16.5	0.5	1.5	103.0	35.0
1981	214.1	59.3	23.3	24.2	23.8	7.4	11.8	35.3	25.6	3.4	2.1	151.7	60.2
1982	270.2	75.6	28.1	40.9	26.2	7.5	14.1	40.3	29.1	8.5	2.5	190.7	77.0
1983 1	304.1	88.2	30.1	45.6	31.4	7.7	15.5	43.0	32.4	10.1	4.4	212.9	86.7
2	290.1	82.1	28.8	44.0	29.5	7.1	14.8	43.8	31.7	8.3	4.8	201.4	83.9
3	304.3	83.6	28.9	48.3	34.0	7.1	16.0	46.4	31.6	8.6	6.1	211.1	87.1
4	315.9	86.5	29.8	51.9	33.6	7.4	18.1	48.7	33.0	6.8	6.2	220.3	89.4
1984 1	328.2	87.6	29.8	58.3	38.1	7.4	18.7	48.7	33.8	5.8	7.0	229.2	92.0
2	351.8	90.3	30.9	64.5	37.9	7.6	20.2	57.5	36.5	6.5	7.2	248.2	96.4
3	374.8	94.5	32.6	65.1	44.8	8.1	21.4	63.2	39.3	5.9	7.8	263.5	103.5
4	399.5	102.7	35.5	70.3	45.9	8.5	14.1	74.8	41.9	5.8	8.4	282.1	109.0
1985 1	381.5	96.1	32.3	70.1	47.5	7.9	13.2	70.2	38.6	5.5	8.4	271.2	102.0
2	358.9	89.2	30.5	66.2	43.3	8.3	12.2	66.7	37.0	5.6	8.0	254.3	96.6
3	353.5	88.8	30.2	63.8	48.7	9.0	11.2	60.7	36.0	5.2	8.2	252.4	92.9
4	356.5	92.1	31.1	63.9	51.4	9.4	11.0	58.1	34.8	4.9	8.3	258.1	90.1
Net liabilities	AITI	CGGA	CGGE	CGGB	CGFX	CGFZ	CGGD	CGGC	CGFY	CGGF	AITJ	AITK	AITL
1980	5.8	-8.9	7.2	8.3	-8.9	-4.3	16.5	-3.1	-5.6	4.5	23.4	-15.2	-2.3
1981	6.0	-18.6	11.4	17.0	-12.2	-5.9	23.1	-4.9	-11.8	8.0	26.4	-17.2	-3.2
1982	11.6	-28.6	12.9	31.7	-15.2	-4.9	20.8	-1.2	-13.4	9.6	25.6	-12.7	-1.3
1983 1	13.4	-36.7	17.7	38.7	-18.0	-4.5	20.9	2.7	-15.2	7.6	25.5	-10.7	-1.4
2	13.4	-33.3	17.0	38.4	-18.7	-4.2	19.4	3.0	-13.9	5.8	23.1	-10.2	0.5
3	15.3	-31.7	20.1	37.3	-20.1	-4.4	19.4	2.0	-13.2	5.9	23.7	-8.0	-0.5
4	15.4	-29.6	21.1	36.0	-18.8	-4.2	16.5	-1.1	-13.1	8.6	23.9	-11.1	2.6
1984 1	17.9	-29.5	23.7	32.5	-21.5	-3.8	17.3	2.4	-12.0	8.8	23.2	-8.8	3.4
2	21.3	-29.2	27.2	37.3	-21.3	-4.0	18.4	-4.6	-11.8	9.2	25.7	-9.6	5.2
3	25.2	-26.8	33.1	37.5	-26.5	-4.7	20.7	-5.4	-14.1	11.3	31.3	-7.2	1.1
4	29.6	-26.2	36.8	39.9	-29.6	-3.9	21.5	-5.2	-14.0	10.2	35.4	-10.3	4.5
1985 1	29.6	-20.0	35.9	35.2	-30.5	-4.2	20.3	-2.4	-12.8	8.1	31.6	-7.3	5.2
2	29.3	-18.2	33.5	35.0	-27.2	-4.2	21.0	-3.0	-12.7	4.9	31.7	-6.9	4.5
3	26.6	-15.7	34.1	35.1	-31.7	-4.7	19.5	0.1	-14.2	5.2	30.6	-7.9	3.9
4	31.3	-13.2	33.8	31.0	-31.4	-4.6	19.3	2.4	-12.9	6.7	29.9	-1.6	3.0

1. Including liabilities and claims of certain other financial institutions; also liabilities incurred by UK banks in respect of borrowing by public bodies under the exchange cover scheme and by HM Government and UK banks' claims in respect of export credit in foreign currencies. Because of these coverage differences and also valuation effects, these figures are not fully comparable with with corresponding transactions of UK banks shown in Table 8. Coverage changes ocurred at the end of 1979 and 1981 and end-March 1983 see Financial Statistics and Explanatory Handbook; they are also described, and geographical regions defined, in the CSO Pink Book.

EXTERNAL LIABILITIES AND CLAIMS IN STERLING: GEOGRAPHICAL ANALYSIS[1]

TABLE 16

£ million

End of period

	EC countries	Other developed countries	Eastern Europe	Off-shore banking centres	Oil exporting countries	Other developing countries	International organisations	Unallocated	Total	of which: Overseas banks[2]
	CGDG		CGDD		CGDR	CGDU	CGDL	CGED	AIRA	
Exchange reserves held by overseas monetary authorities										
1979	153		307		1 205	506	1 102	47	3 320	
1980	158		508		2 238	588	1 108	69	4 669	
1981	216		351		2 471	481	1 143	93	4 755	
1982	214		587		2 654	459	1 456	191	5 561	
1983 1	245		650		2 837	698	1 714	8	6 152	
2	261		680		2 793	613	1 844	7	6 198	
3	311		858		2 774	728	1 900	17	6 588	
4	320		930		2 758	657	1 939	24	6 628	
1984 1	272		1 165		2 720	776	2 107	–	7 040	
2	442		1 247		2 615	797	2 111	1	7 213	
3	395		1 241		2 796	779	2 196	30	7 437	
4	447		1 203		2 702	942	2 428	33	7 755	
1985 1	503		1 277		2 444	890	2 602	8	7 724	
2	468		1 397		2 623	809	2 727	3	8 027	
3	499		2 107		2 543	844	2 557	4	8 554	
4	412		2 379		2 942	1 054	2 721	14	9 522	
Banking and money market liabilities to holders other than OMA's	CGDF	CGDW	CGDC	CGDN	CGDP	CGDT		CGEC	AIRI	AIRJ
1979	1 781	2 076	93	708	1 588	1 583		9	7 838	2 740
1980	2 425	2 708	114	1 081	1 998	1 957		26	10 309	4 176
1981	3 453	3 369	116	1 506	2 281	2 289		467	13 461	6 036
1982	4 403	4 536	141	2 134	2 973	2 824		619	17 630	8 544
1983 1	4 937	5 015	140	2 318	3 273	3 087		447	19 218	9 264
2	5 304	5 401	170	2 401	3 177	2 873		454	19 820	9 660
3	5 221	5 676	105	2 759	3 161	2 805		476	20 203	9 722
4	5 819	6 218	148	2 641	3 275	2 893		614	21 408	10 205
1984 1	5 996	6 798	153	2 929	3 345	2 919		616	22 756	10 978
2	6 587	7 413	190	3 262	3 582	3 093		574	24 701	12 680
3	7 493	7 657	122	3 484	3 627	3 190		720	26 293	13 708
4	7 792	8 055	134	3 666	3 210	3 225		728	26 810	13 428
1985 1	10 685	9 387	140	4 102	3 332	3 380		762	31 768	17 704
2	9 809	9 745	138	4 151	3 473	3 452		941	31 719	16 694
3	8 953	10 752	199	4 107	3 548	3 484		930	31 973	16 398
4	9 062	9 905	200	3 940	3 550	3 725		878	31 260	15 154
Claims of UK banks[3]	CGDH	CGDX	CGDE	CGDO	CGDS	CGDV	CGDM	CGEE	AISA	AISD
1979	892	1 656	752	480	1 087	1 760	1	22	6 960	710
1980	2 454	2 443	840	824	1 111	1 748	33	27	9 480	2 828
1981	3 232	3 481	949	1 135	912	2 184	120	365	12 378	4 109
1982	3 865	4 776	1 002	1 389	1 125	2 619	270	909	15 955	4 448
1983 1	4 539	5 346	1 027	1 533	1 322	2 931	277	406	17 381	4 697
2	4 305	5 173	1 040	1 567	1 522	2 860	279	418	17 164	4 562
3	4 138	5 226	1 010	1 800	1 500	2 869	288	527	17 358	4 229
4	4 516	5 617	1 038	1 797	1 585	2 851	311	600	18 295	4 422
1984 1	5 333	6 156	1 080	1 961	1 693	2 872	333	487	19 915	5 151
2	5 777	6 482	1 052	2 123	1 835	2 932	326	557	21 084	6 233
3	6 354	6 698	1 040	2 431	1 771	3 008	332	629	22 263	6 594
4	6 914	7 330	1 120	2 343	1 740	2 976	316	671	23 410	7 102
1985 1	8 105	8 369	1 047	2 792	1 927	3 133	335	711	26 419	9 085
2	7 656	8 193	1 130	2 947	1 924	3 148	324	719	26 040	9 185
3	7 810	7 684	1 070	2 926	1 909	3 175	324	679	25 577	9 819
4	7 580	7 214	1 368	2 789	1 932	3 354	379	714	25 330	9 056

1. Coverage changes at the end of 1981 and end-March 1983 are described, and geographical regions defined, in the CSO Pink Book.
2. In the liabilities section this comprises deposits placed with banks in the UK by banks abroad on their own account; also deposits from banks' trustee accounts, which may originate from non-banks; certificates of deposit are excluded. In the claims section this comprises only claims on banks' (other than OMA's) abroad in respect of loans, advances and balances; bills and acceptances are excluded.
3. Loans, advances and balances, and bills, many of which represent export credit including those which have been refinanced (see Table 12), and acceptances.

EXTERNAL STERLING LIABILITIES[1] ANALYSIS BY COMPONENT

TABLE 17

£ million

End of period

	Exchange reserves in sterling held by overseas monetary authorities(OMAs)							Banking and money market liabilities to holders other than OMAs		
		Banking and money market liabilities								
		External deposits with:								
	British government stocks	Banks and other institutions	Local authorities	Treasury bills	Total	Non-interest bearing notes	Total exchange reserves	External deposits with banks and other institutions	Treasury bills	Total
	AIRB	CGEA	AIRE	AIRG	AIRC	AIRH	AIRA	CGDZ	AIRM	AIRI
1979	1 281	871	17	512	1 400	639	3 320	7 771	67	7 838
1980	2 348	1 272	22	436	1 730	591	4 669	10 292	17	10 309
1981	2 555	1 159	42	326	1 527	673	4 755	13 442	19	13 461
1982	2 923	1 480	25	424	1 929	709	5 561	17 577	53	17 630
1983 1	3 027	1 753	50	464	2 267	858	6 152	19 144	74	19 218
2	3 296	1 689	23	363	2 075	827	6 198	19 733	87	19 820
3	3 237	2 086	13	503	2 602	749	6 588	20 087	116	20 203
4	3 189	2 355	12	395	2 762	697	6 628	21 293	115	21 408
1984 1	3 270	2 546	23	433	3 002	768	7 040	22 645	111	22 756
2	3 850	2 670	9	508	3 187	646	7 213	24 577	124	24 701
3	3 346	2 874	6	505	3 385	704	7 437	26 156	137	26 293
4	3 207	3 353	5	514	3 872	676	7 755	26 670	140	26 810
1985 1	3 571	2 855	9	491	3 355	798	7 724	31 611	157	31 768
2	4 226	2 629	6	438	3 073	726	8 027	31 537	182	31 719
3	4 155	3 200	4	479	3 683	705	8 554	31 795	178	31 973
4	4 885	3 497	3	433	3 933	704	9 522	31 052	208	31 260

1. These figures are not fully comparable with the corresponding transactions shown in Table 8. Also there are coverage changes at end-1981. See further notes in the CSO Pink Book.

OFFICIAL FINANCING LIABILITIES AND OFFICIAL RESERVES[1] [2]

TABLE 18

End of period

£ million				$ million				£ million
Official financing liabilities				Official reserves				
	Other foreign currency borrowing							
IMF	By HM government	under the public sector exch. cover scheme	Total official financing liabilities	Gold	IMF special drawing rights	Convertible currencies	Reserve position in the IMF	Total	Total
AIQE	AIQF	AIQG	AIQD	AIPJ	AIPK	AIPM	AIPL	AIPI	AIPD
1979	471	1 955	4 129	6 555	3 259	1 245	18 034	-	22 538	10 129
1980	294	1 191	3 525	5 010	6 987	560	18 621	1 308	27 476	11 487
1981	200	183	3 998	4 381	7 334	1 043	13 457	1 513	23 347	12 217
1982	36	216	4 612	4 864	4 562	1 233	9 634	1 568	16 997	10 508
1983 1	-	236	5 026	5 262	5 914	1 106	8 560	1 757	17 337	11 702
2	-	228	4 866	5 094	5 914	1 104	8 962	1 731	17 711	11 541
3	-	234	5 040	5 274	5 914	1 201	9 077	1 710	17 902	11 975
4	-	241	5 397	5 638	5 914	695	9 040	2 168	17 817	12 271
1984 1	-	243	5 441	5 684	5 473	696	8 465	2 115	16 749	11 619
2	-	339	5 508	5 847	5 477	837	7 063	2 128	15 505	11 432
3	-	573	5 893	6 466	5 475	638	7 032	2 115	15 260	12 319
4	-	613	6 749	7 362	5 476	531	7 577	2 110	15 694	13 553
1985 1	-	722	6 130	6 852	4 310	528	6 818	1 872	13 528	10 998
2	-	512	6 078	6 590	4 310	605	7 560	1 843	14 318	10 913
3	-	473	5 746	6 219	4 309	735	7 351	1 781	14 176	10 075
4	-	2 187	5 681	7 868	4 310	996	8 486	1 751	15 543	10 753

1. Data are denominated or expressed in dollars and converted to sterling at end-period middle market rates.
2. From end-March 1979 the rates at which the reserves are valued in dollars are revised annually. These revisions, and the basis of valuing earlier figures, are described in detail and the effects quantified in 'Financial Statistics Explanatory Handbook'. Definitions of the rates used for valuation and of the various headings above are also given in the CSO Pink Book notes.

The Budget: 18 March 1986

The following are the proposed changes in taxation as set out in the *Financial Statement and Budget Report 1986-87* (HMSO March 1986) (Price £6.60)

Income tax
The basic rate of income tax will be reduced to 29 per cent.

Income tax personal allowances will be increased in line with the statutory indexation provisions (based on the increase of 5.7 per cent in the RPI in the year to December 1985). This will mean that:

—the single person's and wife's earned income allowances will rise from £2,205 to £2,335;

—the married allowance will rise from £3,455 to £3,655;

—the age allowance will rise from £2,690 to £2,850 (single) and from £4,255 to £4,505 (married) and the income limit from £8,800 to £9,400;

—the additional personal allowance and widow's bereavement allowance will rise from £1,250 to £1,320.

Thresholds for the higher rates of income tax will be as follows:

Tax rate per cent	£
29	0-17 200
40	17 201-20 200
45	20 201-25 400
50	25 401-33 300
55	33 301-41 200
60	over 41 200

Social security uprating
The uprating date for social security benefits is being changed from November to April. As part of the transitional arrangements there will be an additional interim uprating in July 1986. Exceptionally, the Government has decided to exempt from income tax the amount of the increase payable in 1986-87 on retirement pensions and linked long term benefits.

Visiting entertainers and sportsmen
UK practice on the taxation of visiting entertainers and sportsmen will be brought into line with that in most other OECD countries by the introduction of deduction of tax at source, and other measures. The new arrangements will not come into effect until 1987-88.

Excise duties
The specific duties on cigarettes and hand rolling tobacco will rise by about 13½ per cent, equivalent to just over 11p on a packet of 20 cigarettes. Those on pipe tobacco and cigars will remain unchanged.

Duties on alcoholic drinks will remain unchanged.

Duties on road fuels will go up by a little more than 8 per cent or the equivalent of approximately 7½p on a gallon of petrol and 6½p on a gallon of derv.

Vehicle excise duty
The duty on cars, light vans, motor cycles and most lorries will remain unchanged. The duty rates on buses, coaches and taxis will rise by 5 per cent.

Business Expansion Scheme
The Business Expansion Scheme (BES) was due to come to an end on 1 April 1987. It is proposed to continue it indefinitely and to exempt new BES shares from capital gains tax on first sale. Certain low risk activities including those with high asset-backing are to be excluded. Certain forms of chartering of UK-registered ships are to be included.

Capital transfer tax
The lifetime capital transfer tax charge is to be abolished for all gifts between individuals made on or after Budget day. There will, however, remain a tax on transfers made on death. Gifts made within seven years of death will be charged but with taper relief. To reflect its new structure, the tax will be known as the inheritance tax.

Under the new arrangements, there will continue to be a charge on transfers involving trusts and companies. Provision will be made to charge gifts in relation to which the donor may continue to enjoy a benefit. The exempt amount and rate bands of the tax will be increased from Budget day, as follows:

Rate on death per cent	Bands of chargeable value £000
0	0-71
30	71-95
35	95-129
40	129-164
45	164-206
50	206-257
55	257-317
60	Over 317

Personal Equity Plans
A new scheme, known as Personal Equity Plans, will be introduced to encourage individuals to invest directly in equities. Shares held in such plans will be free of any tax on both capital gains and reinvested dividend income. Investment of up to £2,400 will be permitted each year and the shares will have to be held for a minimum period of not more than two years.

Stamp duties
The rate of stamp duty on share transactions is to be reduced in the Autumn from 1 per cent to ½ per cent. The scope of the duty will be widened to cover the following transactions (currently exempt):

—Takeovers including mergers (but excluding company reconstructions): from 19 March;

—Certain loan stock: from 19 March;

—Letters of allotment: partly from 19 March and partly from the autumn;

—Intra account dealing: from the autumn;

—Company purchase of own shares: from the autumn.

A 5 per cent duty is being imposed where shares are converted into depositary receipts, from 19 March.

Employee share schemes

The following measures will be taken to encourage further the spread of approved employee share schemes:

—the extension of the present tax reliefs to shares which must be disposed of when the employment ends;

—changes to enable employee controlled companes and worker co-operatives more easily to take advantage of existing schemes;

—a more liberal regime for savings-related share options.

Pension fund surpluses

The present rules relating to pension fund surpluses will be clarified and revised as follows:

—pension funds' assets and liabilities will be valued, for tax purposes only, on standard assumptions advised by the Government Actuary;

—where such valuation shows an actuarial surplus of assets over liabilities of more than 5 per cent, the trustees shall be required to reduce it to not more than 5 per cent by (i) an increase in pension benefits (within existing limits), or (ii) a contribution reduction or holiday by either employer or employee, or (iii) a refund to the employer, or (iv) by any combination of these measures, the choice of method being for the trustees to decide;

—where a refund is made to the employer, it will be subject to tax in the employer's hands at a rate of 40 per cent;

—no refund will be permitted which would reduce the surplus to less than 5 per cent.

Charitable giving

Four new types of tax relief will be introduced

—Companies, other than close companies, will for the first time be able to claim tax relief for single gifts to charity. The relief will be on single gifts up to a maximum equal to 3 per cent of the ordinary dividends paid by the company in the accounting period;

—The present annual limit of £10,000 on the amount of charitable giving through deeds of covenant for which an individual taxpayer may claim higher rate relief will be abolished—restrictions will remain only where the measures against abuse apply;

—There will be a new scheme from April 1987 to encourage individuals to make donations to charity through deductions from their wages and salaries. Employees whose employers participate in the scheme will be able to get tax relief on donations of up to £100 a year.

—VAT relief will be available on distress alarms and lifts for the handicapped and their charities, non-classified press advertising by charities, medicinal products supplied to charities, video and refrigeration equipment used in medical applications by certain eligible bodies including charities, welfare vehicles used by such bodies to transport the deaf, blind and mentally handicapped, and recording equipment used by charities for the blind.

Measures are also to be taken to prevent abuse of the tax reliefs for charities.

Business taxation

The small companies' rate of corporation tax will be reduced to 29 per cent. As a consequence of the reduction in the basic rate of income tax, the rate of advance corporation tax (ACT) will be reduced to 29/71sts of the distribution. To reinforce this link between the rates, the Finance Bill will contain a provision for the ACT rate to be adjusted automatically in line with future changes in the basic rate of income tax.

The final stage in the business tax reforms introduced in 1984 will take effect on 1 April 1986 with the reduction in the main corporation tax rate to 35 per cent and (with a few mainly transitional exceptions) the full implementation of the new system of capital allowances. These reforms will be completed by updating the mines and oil wells capital allowances code, and adapting the system of allowances for agricultural buildings. In order to provide a full measure of tax depreciation for agricultural buildings and works with a short life, taxpayers may choose to take balancing adjustments on their disposal or destruction.

Oil taxation

Except for the updating of the mines and oil wells capital allowances code, no other changes are being proposed to oil taxation apart from technical changes to remove some anomalies.

Capital gains tax

The capital gains tax annual exempt amount is to be increased in accordance with the statutory indexation provisions from £5,900 to £6,300 in the case of individuals, and from £2,950 to £3,150 in the case of most trusts.

Car and car fuel benefits

The scales which determine the taxable cash equivalents of car and car fuel benefits in respect of company cars provided for directors, and for employees earning £8,500 a year or more, are to be changed from 6 April 1987. The present (1 300cc and 1 800cc) engine-size break points are to be aligned, on a revenue-neutral basis, with those (1 400cc and 200cc) in the proposed Euorpean Community Directive on car exhaust emissions. The resulting scale charges for car benefits (but not car fuel benefits) will be increased by 10 per cent for 1987-88. From April 1987 the car fuel benefit scale is to be used both for income tax purposes and to assess the VAT chargeable on fuel used for private journeys in business cars.

Value added tax

From 19 March 1986 the registration limits will become £20,500 per annum and £7,000 per quarter.

Direct effect of changes in taxation

£ million

	Estimated effect on receipts in: 1986-87		1987-88
	Changes from an indexed base	Changes from a non-indexed base	Changes from a non-indexed base
INLAND REVENUE			
Income tax			
1 Reduction of 1p in basic rate	− 830	− 830	− 1245
2 Increase in single allowance of £130 and married allowance of £200	−	− 895	− 1130
3 Increase in additional personal allowance and widow's bereavement allowance of £70	−	− 10	− 10
4 Increase in age allowance of £160 (single) and £250 (married) and income limit of £600	−	− 115	− 145
5 Increase in basic rate limit of £1,000 to £17,200	−	− 70	− 115
6 Changes to further higher rate thresholds	+ 15	− 35	− 70
7 Abolition of higher rate relief limit for charitable covenants	*	*	− 5
8 Relief for charitable donations through payroll deduction schemes	−	−	− 20
9 Changes in rules for the tax treatment of visiting entertainers and sportsmen	−	−	+ 75
10 Fringe benefits — car and car fuel scales	−	−	+ 15
11 Changes to relief for overseas travel expenses	− 10	− 10	− 5
12 Exemption for 1986-87 of July increase in retirement pensions and linked long term benefits	− 15	− 15	*
13 Changes in taxation of employee share acquisitions	*	*	*
14 Use of restricted shares in approved employee share schemes	*	*	*
15 Use of shares providing employee control in approved employee share schemes	*	*	*
16 Worker co-operatives' use of redeemable shares in approved profit-sharing schemes	*	*	*
17 Exercise of options granted under approved savings-related share option schemes	*	*	*
18 Change in basis of assessment of enterprise allowance	*	*	− 5
19 Exemption of pensions paid to victims of Nazi persecution	*	*	*
Income tax and capital gains tax			
20 Tax relief for Personal Equity Plans	*	*	− 25
21 Business Expansion Scheme — continuation beyond April 1987 and changes in coverage	*	*	+ 10
Income tax and corporation tax			
22 Rules for pension funds surpluses	+ 20	+ 20	+ 120
23 Mines and oil wells capital allowances	*	*	− 45
24 Changes in agricultural buildings allowance rules	*	*	*
25 Changes in capital allowance rules for leased assets	*	*	*
26 VAT penalties, interest, surcharges and repayment supplement	*	*	*
Income tax, corporation tax and capital gains tax			
27 Charities: anti-avoidance measures	*	*	+ 20
28 Limiting scope of anti-bondwashing provisions	*	*	*
29 Amendments to accrued income scheme	*	*	*
Income tax, corporation tax, capital gains tax and capital transfer tax			
30 Changes in relation to securities	*	*	*
Corporation tax			
31 Reduction in rate of ACT to 29/71sts of the amount of the distribution	− 120	− 120	− 60
32 Reduction in small companies rate to 29 per cent	*	*	− 20
33 Relief for single donations to charity by companies	*	*	− 35
34 Loans by close companies	*	*	*
35 Transfer of losses on company reconstruction	*	*	+ 5
Corporation tax and capital gains tax			
36 Small part disposals of land	−	−	− 5

Direct effect of changes in taxation—*(continued)*

	£ million		
	Estimated effect on receipts in: 1986-87		1987-88
	Changes from an indexed base	Changes from a non-indexed base	Changes from a non-indexed base
Oil taxation			
37 Technical changes to remove anomalies	*	*	*
Capital gains tax			
38 Indexation of annual exempt amount	–	–	– 5
39 Restriction of holdover relief for dual resident trusts	–	–	+ 5
Capital transfer tax (inheritance tax)			
40 Abolition of lifetime charge on transfers between individuals and consequential changes	– 35	– 35	– 55
41 Indexation of chargeable rate bands	–	– 20	– 45
Stamp duties			
42 Reduction in rate on shares to ½ per cent from autumn 1986	– 70	– 70	– 75
43 Changes from 19 March 1986	+ 50	+ 50	+ 50
44 Other changes from autumn 1986	+ 20	+ 20	+ 35
TOTAL INLAND REVENUE	**–975**	**–2135**	**–2790**
CUSTOMS AND EXCISE			
Value added tax			
45 Increase in registration limits	–	*	*
46 Revised treatment of motoring expenses	–	–	+ 40
47 New rules on disaggregation of registration	*	*	+ 20
48 Revised treatment of hotels and tourism	–	–	+ 10
49 Reliefs for charities and the handicapped	– 10	– 10	– 10
50 Direct exports	–	–	–
51 Transfer of import relief	–	–	–
Excise duties			
52 No change in rate of spirits duty	– 45	–	–
53 No change in rate of beer duty	– 95	–	–
54 No change in rate of duty on cider and perry	– 5	–	–
55 No changes in rates of wine and made wine duties	– 30	–	–
56 Increases in rates of duty on petrol etc.	+ 110	+ 380	+ 400
57 Increase in rate of duty on derv	+ 30	+ 95	+ 105
58 No change in rate of fuel oil duty	– 5	–	–
59 Abolition of duty on most lubricating oils	– 10	– 10	–10
60 Abolition of duty on AVTUR	– 10	–10	–10
61 Increase in rate of duty on gas oil	+ 25	+30	+ 30
62 Increases in rates of tobacco products duties	+ 175	+ 315	+ 335
63 Abolition of certain excise licences	*	*	*
64 Northern Ireland betting and gaming	*	*	*
65 Excise warehousing regulations	–	–	–
TOTAL CUSTOMS AND EXCISE	**+ 130**	**+ 790**	**+ 910**
Vehicle excise duty (VED)			
66 No change in VED on car, light van and main lorry rates	– 135	–	–
67 Increases in other VED rates	–	+ 5	+ 5
68 Changes in trade licensing arrangements	*	*	*
Other			
69 Bus fuel grants	– 5	– 10	– 10
TOTAL CHANGES IN TAXATION	**– 985**	**–1350**	**–1885**

* = Negligible – = Nil

ANNEX

How the figures in the table have been calculated

The table gives the direct effects of changes in taxation. Estimates are rounded to the nearest £5 million. "Negligible" means less tha £3 million.

The direct effect of a tax change is the difference between the yield of the tax which would arise on the basis of the rates of tax, allowances, etc prevailing before the Budget (the pre-Budget regime) and the yield after the changes proposed in the Budget (the post-Budget regime).

For Inland Revenue taxes (and VED) the difference in yield for each tax is generally calculated by applying the pre- and post-Budget tax regimes to the same tax base. This base is the post-Budget base—that is the levels of income, profits etc forecast for future years on the assumption that all the measures proposed in the Budget take effect. In certain cases, however, the difference in yield also takes account of changes in taxpayers' behaviour arising from the tax change where those behavioural changes can be directly attributed to the change in tax. For example, the estimate of the direct cost of the cut in stamp duty rate allows for the expected increase in chargeable transactions.

For Customs and Excise taxes and duties, the calculation takes into account, where possible, the effect of the tax change on the pattern of consumers' expenditure and the resulting impact on other expenditure taxes but makes no allowance for secondary effects: in particular, it is assumed that total consumers' expenditure does not change. A fuller description of the methodology is in Economic Trends, March 1980.

The table shows the expected change in receipts of tax resulting from the Budget proposals. Additional information is provided in the commentary below for those proposals where the effect on tax liabilities in the first complete year to which the change applies (full year effect) is substantially different from the effect on receipts in either 1986-87 or 1987-88; or where the impact of the proposal is expected to build up over a period of years.

The direct effects shown in the third column of the table assume that the levels of allowances, rates of duty etc proposed in the Budget for 1986-87 continue to apply for 1987-88 and compare the effect on receipts in that year with allowances and rates of duty unchanged from their money levels in 1985-86 (the unindexed base).

The estimates shown in the table do not reflect changes in the tax base arising from changes in money incomes and in the general level of prices and other economic variables which may result from the proposed tax change. These secondary effects are, of course, taken into account in estimating the impact of the tax change on the PSBR. The base for the post-Budget forecast of each tax takes account of the effects, direct and secondary, of all the measures announced in the Budget.

The remainder of this annex provides a commentary on the Budget proposals in the table. The paragraph numbers refer to the lines in this table.

Income tax

1 The basic rate will be reduced from 30 per cent to 29 per cent. The cost figures in the table for this item assume that the changes in items 2—5 have been made first. They include the saving in public expenditure on mortgage interest relief to those below the tax threshold. But they do not include ACT, which is shown in line 31 of the table.

2 The single person's allowance and the wife's maximum earned income relief will be increased from £2,205 to £2,335 and the married allowance from £3,455 to £3,655.

3 The additional personal allowance and widow's bereavement allowance will be increased from £1,250 to £1,320.

4 The age allowance will be increased for the single person from £2,690 to £2,850, and for the married from £4,255 to £4,505; the age allowance income limit will be increased from £8,800 to £9,400.

5 The basic rate limit will be increased to £17,200.

6 The width of the 40 per cent higher rate band will be maintained at £3,000; the 45 per cent band at £5,200 and the 50 per cent and 55 per cent bands at £7,900.

7 The £10,000 limit on higher rate relief for covenanted donations to charities will be abolished.

8 From April 1987 relief will be introduced for charitable donations of up to £100 a year made through payroll deduction schemes. The cost estimate depends on take up.

9 New rules will be introduced for the tax treatment of visiting entertainers and sportsmen who derive income from the UK. In later years, the yield from this measure is expected to be in excess of £100 million a year.

10 (a) With effect from 1987—88, the present engine size breakpoints in the scales for taxing car and car fuel benefits in respect of company cars provided for directors, and for employees whose remuneration is at a rate of £8,500 a year or more, will be changed on a revenue neutral basis and the new scale for car benefits will be increased by 10 per cent. The scale charges for expensive cars and for cars without an engine rated in ccs will also be increased by 10 per cent, and the market value breakpoints for these cars will remain unchanged.

(b) There will be a simplification of the return employers have to make of those directors, and employees whose remuneration is at a rate of £8,500 a year or more, who are not in receipt of benefits or expense payments.

11 The relief for certain overseas travel expenses incurred by UK resident employees working abroad and by expatriates working in the UK will be extended from 1984—85. Reliefs for overseas travel and subsistence, comparable to those that are available to UK resident employees working wholly abroad, will be extended to UK resident self employed persons with businesses wholly abroad. The higher first year cost arises from the proposal to apply these improvements with effect from 6 April 1984.

12 For 1986—87 the increase in retirement pensions and linked long term benefits payable from July 1986 will be exempted from income tax.

13 The tax charging provisions relating to directors' and employees' acquisitions of shares and interests in shares in their companies will be amended.

14 The use of shares subject to restrictions on their retention by ex-directors and ex-employees will be permitted in approved employee share schemes.

15 The use of shares of a class, the majority of which is held by directors and employees and which gives them control of the company, will be permitted in approved employee share schemes.

16 Registered worker co-operatives will be able to use redeemable shares in approved profit sharing schemes.

17 Approved savings-related share option schemes will be enabled to permit exercise of options within three years in certain circumstances.

18 The basis of assessment of the enterprise allowance will be changed from Case I or Case II to Case VI of Schedule D.

19 Certain pensions paid to victims of Nazi persecution will be exempted from income tax.

Income tax and capital gains tax

20 A new tax relief will be introduced for individuals investing in equities. The cost will build up over a number of years and will depend on take up.

21 The duration of the Business Expansion Scheme will be extended indefinitely; an exemption from capital gains tax will be introduced on the first sale of new qualifying shares and certain changes will be made to the coverage of the scheme. The scheme has a full year cost at current levels of investment of about £100 million. The 1987—88 figure includes a small first year cost for continuing the scheme after April 1987.

Income tax and corporation tax

22 The rules relating to occupational pension fund surpluses will be clarified and refunds from overfunded schemes to sponsoring employers will be charged to tax at 40 per cent. The figure for 1987—88 includes a yield of £70 million in corporation tax and income tax reflecting changed levels of contributions to or benefits paid from pension funds. The overall yield, including the charge on refunds, may be about £250 million in each of the following three years.

23 The mines and oil wells capital allowances code will be amended, in particular to change to percentage based writing down allowances on a reducing balance and incurred basis, instead of the existing output-related allowances. The cost will decline gradually in later years.

24 The provisions governing the agricultural buildings allowance will be amended. The cost will be up to £5 million in the early 1990s and up to £20 million in the longer term.

25 The legislation relating to capital allowances on machinery or plant which is leased and on certain vehicles will be amended.

26 Deductions for VAT penalties, interest and surcharges will be disallowed and VAT repayment supplement will be disregarded. The yield will build up over time to about £40 million by 1991—92.

Income tax, corporation tax and capital gains tax

27 Provisions to counter abuse of the tax reliefs for charities will be introduced.

28 Certain securities within the accrued income scheme will be removed from the scope of the anti-bondwashing provisions.

29 Changes will be made to the accrued income scheme.

Income tax, corporation tax, capital gains tax and capital transfer tax

30 Changes will be made in relation to securities including replacing special rules for Stock Exchange jobbers by rules for market makers.

Corporation tax

31 The rate at which advance corporation tax for 1986—87 will be payable will be fixed at 29/71sts of the amount of the distribution. This will increase subsequent liability to mainstream corporation tax. The full year cost is £10 million.

32 The small companies rate of corporation tax for the financial year 1986—87 will be reduced to 29 per cent.

33 A relief from tax will be introduced for single donations to charity by companies which are not close. The cost may rise to about £100 million depending on take up.

34 An anomaly in the taxation of loans to participators in close companies will be corrected. Without this measure there could have been widespread avoidance, costing tens of £ millions.

35 The transfer of tax losses on a company reconstruction will be restricted. The yield will rise eventually to about £50 million a year.

Corporation tax and capital gains tax

36 The provisions dealing with small part disposals of land will be amended.

Oil taxation

37 (a) The allocation of tariff charge in cases of fields in common ownership which received development consent on the same day will be clarified.

(b) The onshore/offshore boundary for oil tax purposes will be defined to coincide with the UK coastline.

(c) An alternative basis for determing the market value of certain light gases will be provided.

Capital gains tax

38 The annual exempt amount will be increased in line with the increase in the retail prices index during 1985 so that for 1986—87 an individual will be exempt on the first £6,300, and most trusts on the first £3,150, of capital gains.

39 The hold-over relief for gifts to dual resident trusts will be amended.

Capital transfer tax (inheritance tax)

40 (a) The charge on transfers between individuals made on or after 18 March 1986 and more than seven days before the transferor's death will be abolished. Inheritance tax will be charged on other transfers on or after that date. The estimated eventual effect attributable to transfers in 1986—87 is £70 million. If increased lifetime giving reduces the amounts in the death estates of donors, the CCT yield from those death estates will be reduced.

(b) Transfers made on or after 18 March 1986 but within seven years of the transferor's death will be charged according to the scale for transfers on death; the charge will be reduced in the case of transfers more than three years before death.

(c) For events on or after 18 March 1986 the period for cumulation of a transferor's or settlor's previous chargeable transfers for the purpose of the rate of tax on transfers into trust and on property held in trust will be reduced from ten to seven years.

(d) Gifts with reservation of benefit made on or after 18 March 1986 will be taxed in connection with the donor's death as if the whole of the gifted asset had remained in his estate until the reservation was finally given up.

41 (a) The tax will in future be known as the inheritance tax. The bands of chargeable value for transfers on death occurring on or after 18 March 1986 will be increased broadly in line with the increase of 5.7 per cent in the retail prices index in the year to December 1985. The proposed rate structure is shown in the appropriate paragraph of the article.

(b) Transfers (other than between individuals) not within seven years of the transferor's death will be charged at half the death rates.

Stamp duties

42 The rate of duty on transfers of shares will be reduced from 1 percent to ½ per cent with effect from the autumn. The duty on additional transactions expected to follow from the reduction in the rate is taken into account in the costing. The figures for 1987-88 takes account of the increased yield in capital gains tax arising on the additional transactions. This yield may be expected to increase in subsequent years.

43 With effect from 19 March 1986:

—Duty will be charged at a rate of ½ per cent on takeovers and certain other company reorganisations;

—A new exemption for company reconstructions will be introduced;

—Exemptions from sale duty for certain categories of loan stock will be withdrawn;

—The exemption from bearer instrument duty for bearer letters of allotment will be withdrawn;

—Duty will be charged at 5 per cent on the conversion of shares into depositary receipts and on the transfer of shares to certain clearing houses.

44 With effect from a date in the autumn:

—A charge will be imposed on intra-account and other share transactions which do not a present pay stamp duty;

—The exemption from sale duty for most letters of allotment and for purchases by a company of its own shares will be withdrawn;

—There will be an exemption for market makers.

Value added tax

45 The registration limit will be increased to £20,500 per annum and £7,000 per quarter.

46 The Inland Revenue fuel benefit scale will be used to assess VAT chargeable on fuel used for private journeys in business cars from 6 April 1987.

47 The law will be changed to counter tax avoidance by artificial disaggregation of businesses.

48 The VAT provision relating to long stays in hotels by individuals will be restricted, with effect from 1 November 1986.

49 VAT relief will be made available for distress alarms and lifts for the handicapped and their charities; non-classified press advertising by charities and medicinal products supplied to charities; video and refrigeration equipment used in medical applications by certain eligible bodies, including charities, welfare vehicles used by such bodies to transport the deaf, blind or mentally handicapped; and recording equipment used by charities for the blind.

50 The law will be amended to enable regulations to be made specifying conditions to be satisfied for the zero ratings of certain exports.

51 The law will be amended to allow for the transfer of VAT import relief and its obligations to a person other than the original importer.

Excise duties

52-55 There will be no changes in the duties on alcoholic drinks.

56 The duty on petrol will be increased by 7½p a gallon (inclusive of consequential VAT.)

57 The duty on derv will be increased by 6½p a gallon (inclusive of consequential VAT.)

58 There will be no change in the duty on fuel oil.

59 The duty on most lubricating oils will be abolished.

60 The duty on aviation kerosene will be abolished.

61 The duty on gas oil will be increased by 1½p per gallon.

62 The duties on cigarettes (and hand rolling tobacco) will be increased by 11.1p per packet of 20 cigarettes (inclusive of consequential VAT.)

63 The duties on excise licences under the Alcoholic Liquor Duties Act 1979 and the Matches and Mechanical Lighters Duties Act 1979 will be abolished.

64 The provisions of the Betting and Gaming Duties Act 1981 relative to general betting duty, pool betting duty and bingo duty will be extended to Northern Ireland.

65 Powers will be taken to make certain amendments to regulations relating to goods in warehouses or travelling to or from them.

Vehicle excise duties

66 There will be no change in the duties on cars, light vans and most lorries.

67 From 19 March 1986 the rate of duty for hackney carriages of up to 20 seats will be increased to £52.50, and the additional payment for each additional seat to £1.05. The concessionary rates of duty for farmers' heavy goods vehicles over 7.5 tonnes will be increased by varying amounts as a second stage in the process of bringing them into line with the proportion of average mileage covered by these vehicles on public roads.

68 From 1 January 1987 the rate of duty for trade licences will be increased to £70 for cars and £14 for motorcycles. The increase in trade licence rates will be part of a package of measures reforming trade licence arrangements, including widened availability and changes in the duration for which they are available to six months and 12 months. A new type of probationary trade licence is also to be introduced for new businesses and for businesses where there is a doubt whether there is sufficient business to justify a full licence.

Bus fuel grants

69 Bus fuel grants to certain bus service operators will automatically be increased to compensate them for the increase in duty on derv.

The Economy: Recent Developments and Prospects to mid-1987

The following note and tables are adapted from the *Financial Statement and Budget Report 198687* (HMSO, March 1986)(Price £6.60):

Summary

There were further sizeable increases in both exports and business investment in 1985. For the forecast period, substantial growth is likely not only in most areas of domestic spending but also in exports. Total domestic production and manufacturing output are both expected to record further growth of some 2½—3 per cent.

Employment has continued to rise with over 200,000 extra jobs in the year to September 1985. In spite of this, there has been some further rise in unemployed claimants over the last year. However, the labour force is now expected to grow less rapidly, and prospects for unemployment are better than for some years.

After rising in the early months of 1985, inflation has been on a downward path since June, and in January 1986 the RPI increase over the previous year was 5½ per cent. The inflation rate is expected to fall quite sharply over the coming months and is forecast to be 3½ per cent in the fourth quarter of 1986

The UK forecast is based on the assumption that fiscal and monetary policies are set within the framework of the Medium Term Financial Strategy (MTFS). Oil prices, both North Sea and world, are assumed to average $15 per barrel for the rest of 1986. Neither the sterling index nor the sterling/dollar exchange rate is assumed to change much.

Output in the world economy has now been rising since early 1983, and inflation has been coming down since 1980. Assisted by further moves to lower interest rates, a period of low inflation and good growth in output and trade is in prospect. Many of the problems arising from payments imbalances and debt repayments will remain. But the benefits to trade, output and inflation from the fall in oil prices should prove substantial.

Exports have grown strongly over the last two years. The current account of the balance of payments is expected to remain in sizeable surplus despite the big fall in oil prices. Offsets include higher export earnings on other goods, lower profits earned by foreign oil companies in the North Sea, and higher earnings from the UK's stock of overseas assets.

World economy

After a spurt in 1983 and the first half of 1984, US economic growth has slowed down sharply. By the final quarter of 1985 real GNP was 2½ per cent higher than a year earlier. The performance of the United States economy has strongly influenced the pattern of economic growth in other major industrialised countries. In Japan and Germany, in particular, output grew significantly faster than domestic demand in both 1984 and 1985, thanks to the substantial external contribution to demand, stemming in large part from the US. More recently the recovery in Europe has strengthened and growth has become less dependent on exports to the US. In Japan, growth has shown some signs of slackening, although remaining high by European standards.

Domestic demand is now growing at similar rates in the US and other major industrialised countries. But the effect of much faster growth between 1982 and 1984 in the US, together with the effects of the rise—still only partially reverses—in the dollar, are seen in the pattern of current account balances: a large deficit in the US and large surpluses in Germany and Japan. There have, though, been a number of helpful steps towards reducing these imbalances over the past year. Slower growth in the US has not only reduced the increase in US imports, but also contributed to lower interest rates and a fall in the dollar. The latter was helped by the Plaza Agreement of 22 September 1985 between the Finance Ministers of the Group of Five.

The rate of world inflation fell further in 1985: consumer prices in the major industrialised countries increased on average by about 4 per cent, compared with over 4½ per cent in 1984. This has been associated with a continuing weakness in primary product prices.

Since November 1985, oil prices have fallen sharply. Before the first oil price shock the non-communist world demand for oil was around 48 million barrels per day, and about 30 mbd of this was produced by OPEC members. Despite the 1973-74 increase in oil prices OPEC managed to maintain roughly this level of production throughout the 1970s. After falling in 1974 and 1975 total demand for oil rose again during the rest of the decade, while non-OPEC supply grew by roughly the same amount is absolute terms.

Experience since the second sharp increase in oil prices in 1979 has been very different. Demand for oil has fallen and non-OPEC supplies have continued to rise steadily. OPEC's pricing policy made it effectively the residual source of supply, and demand for OPEC oil nearly halved: from about 31½ mbd in 1979 to less than 17½ mbd on average in 1985. Saudi Arabia's production fell particularly sharply.

Towards the end of 1985, Saudi Arabia indicated that it was no longer prepared to hold its own production at very low levels in order to maintain the existing level of prices. The resulting increase in supply, combined with no sign that other producers were prepared to make offsetting cuts in their production, has produced a sharp fall in prices.

Total demand and supply for oil may respond only gradually even to the large fall in price, and so excess capacity is likely to be present for some time. This forecast assumes that prices will average $15 per barrel for the rest of 1986 and throughout 1987—rather below, in real terms, the level between 1974 and 1979.

The prices of most other primary products are also unlikely to strengthen significantly over the next year or so, since with some exceptions (for example a temporary shortfall in the coffee crop), supplies are abundant and stocks relatively high. The industrial countries can therefore expect further improvements in their terms of trade, raising real incomes and enabling inflation to fall further (see Table 1).

The growth of real GNP in the US should pick up in 1986, benefiting from lower oil prices and from the effect of the lower dollar on trade. Consumers' expenditure, while growing more slowly than in recent years, should be helped by the lagged effects of lower interest rates and rises in asset prices.

Table 1 World Economy

	Per cent changes on a year earlier			
		Esti-mates	Forecasts	
	1984	1985	1986	1987 HI
Major Seven countries[1]:				
Real GNP	4½	2½	3½	4
Consumer prices	4½	4	2½	1½
World trade, at constant prices				
Total imports	10	3	5½	5½
UK export markets[2]	8½	4½	5	5

[1]US, Japan, Germany, France, UK, Italy and Canada. [2]Manufactures.

Growth in Japan may be weaker than usual in 1986 as the expansion of domestic demand may not be sufficient to compensate for a slowdown in the growth of exports. In most European countries the economic recovery should strengthen in 1986, with the rate of growth increasing, particularly in Germany.

The major industrialised countries may grow by about 3½—4 per cent over the next year. Together with lower inflation and interest rates in the major countries and the reduced cost of oil imports, this should provide a better prospect for the non-oil developing countries, despite weak commodity prices. On the other hand, countries heavily dependent on oil exports, particularly those with debt problems, face severe difficulties and will have to cut their imports further.

This picture of world activity is reflected in the pattern of world trade growth. Import growth is likely to be strongest in oil-importing countries and where exchange rates have appreciated most over the past year. This points to rapid growth of imports into Europe, Japan and many developing countries, but to large falls in oil producers' imports. Overall import growth in 1986 should be well above that of 1985.

Financial conditions

The dollar has declined substantially (by over 20 per cent against a basket of other currencies) since its peak in early 1985. In 1985 as a whole the sterling index was little different from 1984. There were however some sizeable swings during the course of the year. The index rose from a low point of 70½ in January to a high of 84½ in July before declining to 78 in December. The index declined further in the opening months of this year, as oil prices fell. Over the past year sterling has risen by about 30 per cent against the dollar, but fallen against most other currencies. The forecast assumes that sterling will not change much, either in dollar or effective terms.

Short-term interest rates fell during much of 1985 from the peak levels reached in February and March. They rose again in January this year as sterling weakened but in 1986 so far they have been a little below levels a year earlier. However, on average in 1985-86 short rates, at 12 per cent, have been a point or so above the levels of 1984-85 and several points above levels in the US and most other industrialised countries. Long rates have been much more stable. Yields on 20 year gilts have been within the 10-11 per cent range for almost all of the last three years, but they have recently fallen below 10 per cent for the first time since 1973. Real yields on index-linked gilts have also been relatively stable.

M0 was near the centre of its target range in the early months of 1985-86, but growth slowed during the course of the year, mainly in response to the increase in interest rates last winter. In recent months M0 growth has generally been just above the bottom of its target range. The annual increase in M0 velocity has been relatively stable for many years now, and is expected to remain so.

Growth in the non-interest bearing component of M1, 3 per cent over the last year, has also slowed. This has been in response to higher interest rates and the increased availability of high interest cheque accounts which are in M1, contributing to an acceleration in M1 in total.

The rate of growth of £M3 has risen during the course of 1985-86 and has been well above both the target range set in the 1985 MTFS and the growth of money GDP. With the funding objective now set at the level needed to cover the PSBR, £M3 growth, at 14-15 per cent on a year earlier in recent months, has reflected a continued strong expansion of bank credit. Other broad aggregates have grown at much the same rate.

The rapid expansion of broad money and credit reflects to a large extent the pace of financial innovation and liberalisation. Since over two-thirds of £M3 bears interest and is now an attractive means of holding financial wealth, the high level of real interest rates may have contributed to higher bank deposits. The higher levels of broad money and debt in relation to incomes probably reflect a permanent and continuing shift in the private sector's portfolio which is not likely to be reversed through higher spending. They are thus consistent with the slower growth of nominal incomes and fall in inflation contained in this forecast.

Table 2 World import volumes, annual growth rates

	US	Japan	Europe[1]	OPEC	Developing countries	Other	Total
Weights in 1984	*19*	*8*	*31*	*7*	*14*	*21*	*100*
	Per cent changes on a year earlier						
1984	24	11	6	– 10	8	11	10
1985 Estimates	3	1	5	– 8	1	6	3
1986 Forecasts	7	9	8	– 16	7	6	5½

[1]Germany, France, UK, Italy, Netherlands and Belgium

Trade and the balance of payments

The last two or three years as a whole have exhibited relatively little change in most measures of cost and price competitiveness, although there have been large short-term swings associated with movements in the nominal exchange rate. As Table 3 shows, the effects of a lower nominal exchange rate have been broadly offset by unit labour cost increases at home above those in the UK's main overseas competitors, despite a good UK productivity performance. Assuming not much change in the exchange rate, the UK's cost and price competitiveness in 1986 may be little different from the average of the last three years.

Table 3 The exchange rate and competitiveness[1]

	Sterling Index (1975 = 100)	Relative unit labour costs (1980 = 100)	Relative export prices (1980 = 100)	Import price competitiveness (1980 = 100)
1983	83½	85	89	94½
1984	78½	83½	87½	92
1985 estimates	78	86½	90	91½

[1]Ratio of costs/prices in UK manufacturing to those overseas.

Prices of most categories of imports fell during the course of 1985. The exchange rate appreciated during the course of the year, inflation in the developed world was low and commodity prices were weak. By the final quarter of 1985 import prices of all goods and services were 5½ per cent lower than a year earlier. About half of the fall seems likely to be reversed by the end of 1986.

For 1985 as a whole, the terms of trade for goods were 1 per cent above those of 1984 because of the weakness of commodity prices (see Table 4). But the terms of trade are likely to be worse in 1986 because the price of oil has fallen relative to other goods and services. As oil has a greater share in UK exports than in imports, a fall in its price reduces export prices relative to import prices. The fall in oil prices on its own worsens the terms of trade in goods by 5 per cent.

Table 4 Trade in goods

	Per cent changes on a year earlier		
	Export volume	Import volume	Terms of trade[1]
1983	2	8	1(1)
1984	8½	11	−2½(−1½)
1985	5½	3	1(1½)
1986 forecasts	6	5½	−3(2)

[1]The ratio of UK exports to import prices (average values): the figures in brackets exclude oil.

UK exporters of manufactures have gradually improved their marked share in volume terms since 1981. The value share fell for a time after 1980 as UK export prices fell relative to those of other countries, but since 1983 there has been little change. The forecast of exports of manufactures in volume terms is for further growth of 6 per cent in 1986, a little faster than growth of UK export markets.

Between 1982 and 1985 the growth in demand for manufactures (5½ per cent at an annual rate) has been shared by importers and domestic producers, with importers continuing to increase their share. Domestic demand for manufactures is expected to grow in 1986, because of further growth in investment and expenditure on consumer durables in particular. Growth in imports of manufactures in 1986 is forecast to be over 7 per cent, twice as fast as domestic demand growth, a relationship similar to that between 1982 and 1985.

The prospect is for a substantial fall in the surplus on trade in oil in 1986 as a result of lower oil prices, partly offset in the current account as a whole by reduced invisible earnings of foreign owned companies operating in the North Sea. Little change in oil production is expected and domestic demand for oil may be below the 1985 level which was boosted by the coal strike.

The surplus on trade in services has more than doubled since 1982. 1985 was an exceptionally good year, with large gains in earnings from financial services, tourism and travel. With imports of services, particularly tourism, likely to grow faster, the balance on services may show only a modest gain in 1986.

The profile of the transfers balance is affected by the timing of official transactions with the European Community. As the bulk of the UK's rebate on its 1984 contribution was delayed into the first few days of 1986, the transfers balance was unusually low in 1985, by about £½ billion. A correspondingly high figure is projected for 1986.

On provisional estimates, the surplus on interest, profits and dividends (IPD) fell in 1985. Earnings on UK investment overseas were depressed by a once-for-all write off of losses on BP's Sohio subsidiary and UK banks' net earnings on their foreign currency business fell. In 1986 the surplus on IPD is expected to rise sharply. Lower oil prices will reduce the profits of foreign oil companies operating in the North Sea more than they reduce the profits of UK oil companies' overseas operations, and there should be a net rise in the other components of IPD as a result of a projected further increase in the UK's net overseas assets.

Table 5 Current account of the balance of payments

£ billion

	Oil	Manufactures	Other goods	Invisibles	Total[1]
1983	7	−2½	−5½	4	3(3)
1984	7	−4	−7½	5½	1(3½)
1985	8	−3	−7	5	3(4½)
1986 forecasts	5	−3	−6½	8	3½(3)

[1]Figures in brackets are after adjustment for the effects of the coal strike and the timing of EC rebates.

Table 5 summarises the current account and its main components. Allowing for the effects of the coal strike the current account was in sizeable surplus in each of the last three years and a substantial surplus is again forecast for 1986, and a further but reduced surplus is forecast for the first half of 1987. On an underlying basis, the surplus in 1986 is expected to be lower than in 1985, as a result of the big fall in oil prices. The contribution of North Sea oil to the current account—defined here as the visible surplus on oil less North Sea profits due abroad—is forecast to fall from £4½ billion in 1985 to £3 billion in 1986.

The UK's stock of net overseas assets is estimated to have been 25 per cent of GDP (almost £90 billion) at the end of 1985, compared with 6 per cent of GDP (£12 billion) in 1979.

Inflation

In the year to the fourth quarter of 1985 the RPI increased by 5½ per cent, a little more than forecast in last year's FSBR. In the middle of the year retail price inflation touched 7 per cent, reflecting, in particular, increases in mortgage interest rates in February and April 1985 and the weakness of sterling in late 1984 and early 1985. Between May 1985 and January 1986 retail prices rose by only 1.1 per cent in total, helped by a fall in mortgage rates, by lower petrol prices, and a general easing of cost pressures.

Import prices declined during 1985 and in the final quarter were about 5 per cent lower than a year earlier. Prices of the manufacturing sector's materials and fuel imputs fell rapidly from their peak in February and by the end of the year were 6 per cent below their December 1984 level. The rate of increase in manufacturing output prices started to slow down in the second half of 1985.

The underlying growth of average earnings (that is, abstracting from the effects of strikes, delayed settlements and other temporary factors) continued at about 7½ per cent in 1985 — little changed from 1984. With output per head growing at about 2 per cent (after allowing for the effects of the coal strike) the growth in unit wage costs was about 5½ per cent in 1985. Unit labour costs rose by about 1 per cent less, mainly because of the abolition of the national insurance surcharge in October 1984. In the manufacturing sector, average earnings increased by 8½-9 per cent and unit labour costs by 4 per cent. This was much faster than in most other major industrial countries. Pre-tax real earnings of employees increased by an average of 2-2½ per cent a year between 1982 and 1985.

So far the current pay round is showing little sign of any significant change in the level of pay settlements or in the underlying rate of growth of average earnings in the private sector. Unit labour costs for the economy as a whole may rise by around 5 per cent in 1986. World commodity prices are likely to remain weak in 1986. With oil prices in sterling terms falling by almost a half betwen 1985 and 1986, the overall cost of manufacturers' material and fuel inputs should fall quite sharply between the two years. The prospects are for little change in manufacturers' total costs and a further widening of profit margins on domestic sales, as shown in Table 6.

Table 6 Costs in manufacturing

	Per cent changes on a year earlier			
	Unit labour costs	Cost of materials and fuel[1]	Estimated total costs	Output prices[1]
1983	½	8	3	5½
1984	2½	8½	4½	5½
1985	4	4	4	6½
1986 forecasts	4½	-11	0	4

[1] Producer prices excluding food, drink and tobacco.

The fall in import prices since the spring of 1985 has contributed to the recent low monthly growth in retail prices; it will continue to contribute to low increases in prices over the coming months, so that the annual rate of inflation will fall quite sharply. In the last quarter of the year RPI inflation may be about 3½ per cent, with little change likely in the first half of 1987. The fall in oil prices is expected to work its way fully through to petrol prices in the course of 1986. The forecast increase in the housing component of the RPI (which covers mortgage payments, rents, rates, and other housing costs) includes the effect of a substantial rise in local authority rates in 1986-87.

Table 7 Retail price index

		Per cent changes on a year earlier			
			Forecasts		
	Weights in 1985	1984 Q4	1985 Q4	1986 Q4	1987 Q2
Food	*19*	3½	3	3	3½
Nationalised industries[1]	*9*	4	5½	4	3
Housing	*14*	10½	9½	7½	5
Other	*58*	4	5½	3	3½
Total	*100*	**5**	**5½**	**3½**	**3½**

[1] Including water.

The GDP deflator measures the price of domestic value added—principally unit labour costs and profits per unit of output—and excludes imports altogether. The GDP deflator covers all sectors of the economy, including oil output in the North Sea, and so is sensitive to the fall in world oil prices. This contributes to a marked slowdown in the growth of the GDP deflator over the coming year. The deflator for GDP at market prices is estimated to have increased by 6 per cent in 1985-86, about 1½ per cent more than in 1984-85. In 1986-87, inflation on this measure is expected to fall to about 3¾ per cent.

Demand and activity

Latest estimates suggest that GDP rose by about 3½ per cent in 1985, or 2½ per cent after making allowance for the effect of the recovery from the coal strike. Over the year to the first quarter of 1985, GDP is estimated to have risen by almost 4 per cent in strike adjusted terms; since then the path of GDP has been flatter. The rise in GDP between the first and third quarters of the year was more than accounted for by recovery from the coal strike, but growth seems to have picked up again in the fourth quarter; the preliminary estimate of the output measure of GDP showed growth at an annual rate of 2½ per cent between the third and fourth quarters of the year. The flattening out of strike adjusted GDP during the middle of 1985 reflected in part the high level of business investment and North Sea output in the first quarter of the year. Output in most sectors of the economy, including manufacturing, continued on an upward trend throughout 1985.

Between 1980 and 1983 the inflation rate fell by about three-quarters and the personal saving ratio fell by almost a quarter. In 1984, with the uncertainties caused by the long coal strike, consumers were more cautious and saving rose. During 1985 spending picked up again, particularly spending on durables which was some 7-8 per cent higher in the second half of 1985 than in the second half of 1984.

The combination of lower price inflation and little change in earnings growth, together with the Budget reduction in the standard rate of income tax and higher dividend income reflecting the buoyant profitability of the company sector, is expected to lead to substantial growth of real personal disposable income of about 5 per cent in 1986. There may be some increase in the saving ratio, at consumers adjust to higher levels of income; but most of the rise in incomes should be reflected in higher spending, with continuing strength in purchases of durables.

Investment in dwellings by the personal sector fell between 1984 and 1985, but a resumption in growth is expected for 1986. Investment in housing improvements started to recover during 1985, and is expected to show further growth in 1986 as personal incomes rise. In spite of the increases in mortgage interest rates early in 1985, house prices remained firm; private housing starts which had fallen during 1984 were rising throughout 1985, and the total for the year was well above the number of completions. This trend in starts should show up in investment in new houses during 1986.

The demand for housing (as reflected in house prices) and spending on consumer durables have both been resilient in the last year or so, in spite of the high level of real interest rates. The personal sector has been responding to the financial liberalisation of recent years and the greater availability of credit as well as to changes in interest rates. Borrowing from banks and building soccieties by the personal sector increased by about 18 per cent in 1985, and by 20 per cent a year on average between 1980 and 1985. This borrowing has not only helped to finance current consumption and spending on tangible assets, but has also been accompanied by substantial acquisition of financial assets: in fact the growth in the personal sector's financial assets has in recent years more than matched the growth in its liabilities, partly because of capital gains on holdings of equities and gilts.

Company income and expenditure

Company profitability has continued the recovery that began in 1981. The net real rate of return for all industrial and commercial companies (ICCs) for 1985 is estimated to have been the highest since 1960. For non-North Sea ICCs, profitability in 1985 was higher than any time since 1973.

The recent sharp fall in oil prices will mean a substantial reduction in North Sea profits in 1986, and the overall return earned by ICCs may fall. However, non-North Sea ICCs will be prime beneficiaries of the fall in oil prices, as they have been of the weakness of other commodity prices during 1985; their profitability is expected to increase further in 1986.

Total business investment, including North Sea investment and investment by public corporations, grew by about 2 per cent in 1985. Within this total, manufacturing investment increased by about 6 per cent, after taking into account the increase in assets leased by manufacturing companies. This was a somewhat smaller increase than intentions surveys had earlier suggested was likely. The path of investment during 1985 was greatly influenced by the reduction in capital allowances which became effective at the end of the first quarter of the year. Leasing business was particularly buoyant in the first quarter and fell back heavily thereafter.

1986 is likely to see a similar quarterly pattern. The level of business investment in 1986 as a whole will be affected by the transition to the reformed system of company taxation announced in the 1984 Budget: this gave firms an incentive to bring investment forward that would otherwise have taken place during 1986. The fundamental prospects for business investment remain very favourable. Profitability has been rising strongly: one indication of the past and prospective recovery in profits is the buoyancy of the stock market. In addition, there is evidence from CBI surveys that an expansion of capacity will be needed in a number of industries.

The DTI survey published last December indicated an increase in manufacturing and service industries' investment of about 1 per cent, within which total manufacturing investment is expected to fall by about 2 per cent. By contrast the CBI interpret their most recent survey as implying a 5 per cent rise in manufacturing investment in the first three quarters of 1986 compared with the corresponding period of 1985. With the additional boost to profits of most companies from lower oil prices, a rise in business investment in 1986 of 5 per cent is forecast, rather more than suggested by the DTI survey.

Table 8 provides details of the forecast for total investment and its major components. North Sea investment is expected to recover this year to a similar level to that in 1984, reflecting the development of new fields approved in 1985 and early 1986. Overall 1986 is expected to be a year of good growth in fixed investment.

Table 8 Gross fixed domestic capital formation

	£ billion at 1980 prices	Per cent changes on a year earlier		
	1984	1984	1985	Forecast 1986
Business[1]	29.2	10	2	5
Private dwellings[2]	9.5	4	0	5
General government	6.8	4	5	2
Total fixed investment	**45.5**	**8**	**1**	**5**

[1] Including investment by public corporations
[2] Includes purchases less sales of land and existing buildings by persons, companies and public corporations, other than purchases of council houses.

Survey evidence suggests that despite the relatively low expenditure on stock building in 1985, most companies still regard their current stock levels as more than adequate in relation to output and sales. The fall in stock ratios in recent years may reflect in part cautious behaviour by companies after the last recession. Another factor has been the high cost of holding stocks as a result of the high level of real interest rates and the abolition of stock relief in the 1984 Budget.

Strong growth in exports has made an important contribution to GDP growth over the last two years. In 1985 the increase in manufactured exports was well above the estimated increase in UK export markets, while UK imports of manufactures grew less than usual in relation to the growth in demand.

The fall in oil prices has improved the prospects for world trade, and the adjustment of the exchange rate to lower oil prices has made British manufactures more competitive. As in most other industrial countries, higher domestic demand (stimulated by lower inflation) is expected to make an important contribution to growth in 1986, but exports should also show substantial growth (see Table 9). The slowdown forecast for export growth in the first half of 1987 reflects the path of North Sea oil output and hence oil exports.

Table 9 Domestic demand and trade

	Per cent changes on a year earlier (at constant prices)		
		Forecasts	
	1985	1986	1987 H1
Domestic demand	2½	3½	3
Exports of goods and services	6	5	3
Imports of goods and services	3	6	5

Total domestic production is expected to increase by 3 per cent in 1986, following 3½ per cent growth in 1985. After allowance for the coal strike, growth is close to 2½ per cent in both years as shown in Table 10. The average level of oil production in 1986 is likely to be close to its level in 1985 and 1984, but the fall forecast for oil output between the first half of 1986 and the first half of 1987 may cut total GDP growth by about ½ per cent. Output growth in the non-oil economy in 1986 and the first half of 1987 is expected to be comparable to that seen in 1985. Manufacturing output has grown slightly faster than GDP since 1983. The composition of demand growth in the forecast suggests that growth in manufacturing output may continue at around the underlying rate of growth of GDP.

Table 10 Real GDP and manufacturing output

	Per cent changes on a year earlier (at constant prices)		
		Forecasts	
	1985	1986	1987 H1
GDP (average measure)	3½	3	2½
GDP, adjusted for coal strike[1]	2½	2½	2½
GDP, adjusted for coal strike and excluding oil output[1]	2½	2½	3
Manufacturing output	3	3	2½

[1] Adjustments are approximate

Productivity and the labour market

Total employment in Great Britain is estimated to have grown by about 220,000 over the year ending September 1985, giving a total increase since March 1983 of over 700,000.

The published figures show an increase of 12,000 in the number of employees in employment during the first nine months of 1985: a further rise in the number of employees in the service industries was largely offset by falls in the production and construction industries. Self employment is assumed to have risen by about 31,000 a quarter since the middle of 1984, the same as the estimated quarterly increase over the previous three years. This compares with an increase of about 68,000 a quarter recorded between the middle of 1983 and the middle of 1984. The estimates of growth in employment over the recent past shown in Table 11 are subject to revision when the Census of Employment for 1984 and the Labour Force Survey for 1985 become available.

Table 11 Employment

	Thousands, change in GB seasonally adjusted					
	Employees in employment			Self employed	HM Forces	Employed labour force
	Male	Female full-time	Female part-time			
September 1983 to September 1984	- 84	+19	+174	+236	+3	+348
September 1984 to September 1985	- 105	+20	+181	+125	- 2	+219

Following upward revisions to the output estimates, output per head in manufacturing now appears to have risen by about 3¾ per cent in 1985, close to the annual average of 3½ per cent for the period 1979-85. This marks a major improvement on the productivity performance recorded between 1973 and 1979: the trend growth in productivity in manufacturing now appears to be close to the rate achieved during the sixties (see Table 12). Non-manufacturing productivity has also been rising faster of late then in the 1973 to 1979 period. Growth in output per man hour has been rising at about 2 per cent per annum since 1979. However, the rise in part-time employment is currently bringing down growth in output per head in non-manufacturing, to about 1 per cent a year.

The increase in employment since 1983 has not so far prevented a continuing rise in unemployment, as growth in the labour force has been exceptionally large. However, the rise in unemployment has slowed down over the last year: the average increase in adult unemployment was about 5,000 a month over the twelve months to February.

Table 12 Output per head

	Employed labour force (millions) 1984	Per cent changes in output per head (annual averages) 1964-73	1973-79	1979-85
Manufacturing	5½	3¾	¾	3½
Non-manufacturing[1]	13½	3	½	1

[1] Excludes public services and oil, and includes nationalised industries except steel.

Pay increases have generally been well above price rises and well above the rise in pay in most other industrialised countries, thus contributing to the rise in unemployment in recent years. With output and employment continuing to grow, and growth in the labour force slowing down, the prospects for unemployment are better than they have been for some years.

Forecast and outturn

Table 13 compares the main elements of the forecast published in the 1985 FSBR with outturn or latest estimate:

Table 13 Forecast and outturn

	Forecast	Latest estimate/ forecast	Average errors from past forecasts
Total output: per cent change between 1984 and 1985	3½	3½	¾
RPI: per cent increase between the fourth quarters of 1984 and 1985	5	5½[1]	1½
Money GDP, per cent change between 1984-85 and 1985-86	8½	9½	1½
Current account of the balance of payments in 1985, £ billion	3	3	2½
PSBR, financial year 1985-86 £ billion	7	7	5

[1]Outturn

Inflation in the fourth quarter of 1985 turned out a little higher than forecast a year ago. The forecasts made at the time of the last Budget for output growth and the current balance in 1985, and for the PSBR in 1985-86, are all very close to the latest estimates for these variables. In each case such error as there appears to have been is considerably smaller than the average error from past forecasts.

This years' forecast is summarised in Table 14.

Risks and uncertainties

No forecast is complete without an indication of error margins. Table 14 sets out the average errors from past forecasts, alongside the forecasts themselves. These average errors provide an indication of possible errors in the current forecast. Those items which represent the relatively small balance between large flows in either direction are particularly subject to error. For example, the flows on either side of the PSBR, including the revenues of the public corporations, are about £200 billion; and for the current account of the balance of payments exceed £150 billion.

Table 14 The prospects: summary

	Forecast	Average errors from past forecasts[1]
A. Output and expenditure at constant 1980 prices	per cent changes 1985 to 1986	
Domestic demand	*3½*	*1*
of which:		
Consumers' expenditure	*4*	*1*
General government consumption	*1*	*1*
Fixed investment	*5*	*2*
Change in stockbuilding (as per cent of level of GDP)	*0*	*¾*
Exports of goods and services	*5*	*2½*
Imports of goods and services	*6*	*3*
Gross domestic product: total	*3*	*¾*
manufacturing	*3*	*2*
B. Inflation		
Retail prices index	per cent changes	
1985Q4 to 1986Q4	*3½*	*1½*
1986Q2 to 1987Q2	*3½*	*2½*
Deflator for GDP at market prices	per cent changes on a year earlier	
Financial year 1985-86	*6*	*1*
Financial year 1986-87	*3¾*	*2*
C. Money, GDP at market prices	per cent changes on a year earlier	
Financial year 1985-86	*9½*	*1¾*
Financial year 1986-87	*6¾*	*1½*
D. Balance of payments on current account	£ billion	
1986	3½	2½
1987 first half (at an annual rate)	1½	3
E. PSBR	£ billion[2]	
Financial year 1985-86	*7(2)*	*1(¼)*
Financial year 1986-87	*7(1¾)*	*5(1¼)*

[1]The errors relate to the average differences (on either side of the central figure) between forecast and outturn. The method of calculating these errors has been explained in earlier publications and government forecasts (see Economic Progress Report June 1981). The calculations of average errors are based on forecasts made between 1975 and 1984. The errors are after adjustment for the effects of major changes in fiscal policy where excluded from the forecasts.

[2]Per cent of GDP at market prices shown in brackets.

Table 15 Constant price forecasts of expenditure, imports and gross domestic product[1]

£ billion at 1980 prices, seasonally adjusted

	Consumers' expenditure	General government consumption	Total fixed investment	Exports of goods and services	Change in stocks	Total final expenditure	Less Imports of goods and services	Less Adjustment to factor cost	Plus Statistical adjustment	Gross domestic product at factor cost	GDP index 1980 = 100
1981	136.5	48.9	37.9	62.0	- 2.5	282.9	55.9	30.0	- 0.5	196.5	98.6
1982	137.6	49.4	40.1	62.8	- 1.1	288.7	58.7	30.6	0.7	200.1	100.4
1983	142.9	50.2	42.2	64.4	0.7	300.4	62.1	31.5	0.1	206.7	103.7
1984	145.6	50.9	45.5	69.1	- 0.1	310.9	68.0	32.7	2.0	212.1	106.4
1985	149.6	51.2	45.9	73.2	0.9	320.9	70.1	33.6	1.8	219.0	109.9
1986	155.5	51.6	48.2	76.8	0.8	332.8	74.2	34.8	1.8	225.8	113.3
1984 H1	72.6	25.2	22.7	33.7	- 0.3	153.9	32.9	16.3	0.6	105.3	105.6
H2	73.0	25.7	22.8	35.4	0.1	157.0	35.1	16.4	1.4	106.9	107.3
1985 H1	74.0	25.5	23.2	36.8	0.2	159.7	35.0	16.6	1.0	109.1	109.4
H2	75.7	25.7	22.7	36.4	0.7	161.2	35.1	17.0	0.9	110.0	110.4
1986 H1	76.9	25.7	24.1	38.1	0.2	165.1	36.5	17.2	0.8	112.2	112.6
H2	78.6	25.8	24.0	38.7	0.6	167.7	37.6	17.5	1.0	113.6	114.0
1987 H1	79.9	25.9	24.2	39.3	0.7	170.0	38.3	17.7	0.9	114.9	115.3
	Per cent changes										
1983 to 1984	*2*	*1½*	*8*	*7*	–	*3½*	*9½*	*3½*	–	*2½*	*2½*
1984 to 1985	*3*	*½*	*1*	*6*	–	*3*	*3*	*3*	–	*3½*	*3½*
1985 to 1986	*4*	*1*	*5*	*5*	–	*3½*	*6*	*3½*	–	*3*	*3*
1986 H1 to 1987 H1	*4*	*½*	*0*	*3*	–	*3*	*5*	*3*	–	*2½*	*2½*

[1] GDP figures in the table are based on "compromise" estimates of gross domestic product, reflecting, for the past, average movements in constant price expenditure, output and income estimates of GDP. Percentage changes are calculated from unrounded levels and then rounded to half per cent. Figures for 1986 H1 and beyond are forecasts. Figures for periods up to the end of 1985 are based mainly on the national accounts published earlier this year (covering periods up to 1985 Q3) and incorporate some revised and later data and forecasts. A full set of national accounts, to end 1985, was published by the Central Statistical Office on 21 March.

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United Kingdom balance of payments: National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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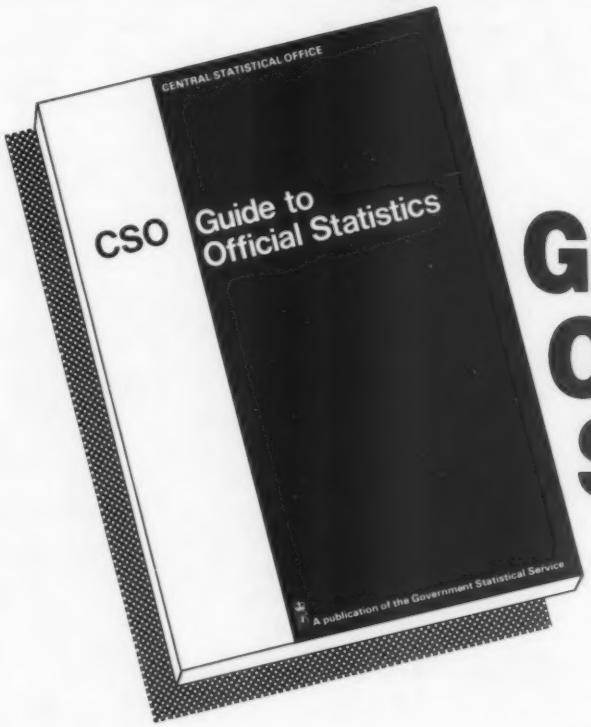

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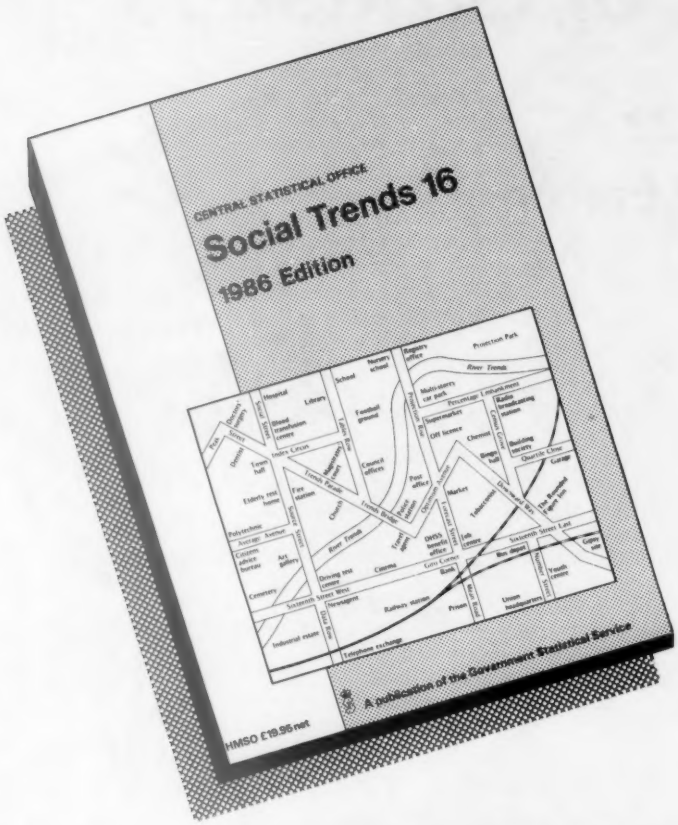

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